

1                                    AMENDMENT TO HOUSE BILL 580

2            AMENDMENT NO. \_\_\_\_\_. Amend House Bill 580 by replacing  
3 the title with the following:

4            "AN ACT in relation to public employee benefits."; and  
5 by replacing everything after the enacting clause with the  
6 following:

7            "Section 5. The Illinois Pension Code is amended by  
8 changing Sections 2-119.1, 5-167.2, 5-167.4, 5-167.5,  
9 6-128.2, 6-128.4, 6-164.2, 8-137, 8-138, 8-150.1, 8-164.1,  
10 8-167, 8-174.1, 9-185, 11-134, 11-134.1, 11-145.1, 11-160.1,  
11 11-163, 11-167, 11-170.1, 13-301, 13-302, 13-306, 13-314,  
12 13-402, 13-502, 13-601, 13-603, 14-104, 15-159, and 16-128  
13 and adding Sections 8-150.2, 8-164.2, 8-230.8, 11-145.2,  
14 11-160.2, 11-221.4, and 15-159.1 as follows:

15            (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)  
16            Sec. 2-119.1. Automatic increase in retirement annuity.  
17            (a) A participant who retires after June 30, 1967, and  
18 who has not received an initial increase under this Section  
19 before the effective date of this amendatory Act of 1991,  
20 shall, in January or July next following the first  
21 anniversary of retirement, whichever occurs first, and in the

1 same month of each year thereafter, but in no event prior to  
2 age 60, have the amount of the originally granted retirement  
3 annuity increased as follows: for each year through 1971, 1  
4 1/2%; for each year from 1972 through 1979, 2%; and for 1980  
5 and each year thereafter, 3%. Annuitants who have received  
6 an initial increase under this subsection prior to the  
7 effective date of this amendatory Act of 1991 shall continue  
8 to receive their annual increases in the same month as the  
9 initial increase.

10 (b) Beginning January 1, 1990, for eligible participants  
11 who remain in service after attaining 20 years of creditable  
12 service, the 3% increases provided under subsection (a) shall  
13 begin to accrue on the January 1 next following the date upon  
14 which the participant (1) attains age 55, or (2) attains 20  
15 years of creditable service, whichever occurs later, and  
16 shall continue to accrue while the participant remains in  
17 service; such increases shall become payable on January 1 or  
18 July 1, whichever occurs first, next following the first  
19 anniversary of retirement. For any person who has service  
20 credit in the System for the entire period from January 15,  
21 1969 through December 31, 1992, regardless of the date of  
22 termination of service, the reference to age 55 in clause (1)  
23 of this subsection (b) shall be deemed to mean age 50.

24 This subsection (b) does not apply to any person who  
25 first becomes a member of the System after the effective date  
26 of this amendatory Act of the 93rd General Assembly.

27 (c) The foregoing provisions relating to automatic  
28 increases are not applicable to a participant who retires  
29 before having made contributions (at the rate prescribed in  
30 Section 2-126) for automatic increases for less than the  
31 equivalent of one full year. However, in order to be  
32 eligible for the automatic increases, such a participant may  
33 make arrangements to pay to the system the amount required to  
34 bring the total contributions for the automatic increase to

1 the equivalent of one year's contributions based upon his or  
2 her last salary.

3 (d) A participant who terminated service prior to July  
4 1, 1967, with at least 14 years of service is entitled to an  
5 increase in retirement annuity beginning January, 1976, and  
6 to additional increases in January of each year thereafter.

7 The initial increase shall be 1 1/2% of the originally  
8 granted retirement annuity multiplied by the number of full  
9 years that the annuitant was in receipt of such annuity  
10 prior to January 1, 1972, plus 2% of the originally granted  
11 retirement annuity for each year after that date. The  
12 subsequent annual increases shall be at the rate of 2% of the  
13 originally granted retirement annuity for each year through  
14 1979 and at the rate of 3% for 1980 and thereafter.

15 (e) Beginning January 1, 1990, all automatic annual  
16 increases payable under this Section shall be calculated as a  
17 percentage of the total annuity payable at the time of the  
18 increase, including previous increases granted under this  
19 Article.

20 (Source: P.A. 86-273; 87-794; 87-1265.)

21 (40 ILCS 5/5-167.2) (from Ch. 108 1/2, par. 5-167.2)  
22 Sec. 5-167.2. Retirement before September 1, 1967. A  
23 retired policeman, qualifying for minimum annuity or who  
24 retired from service with 20 or more years of service, before  
25 September 1, 1967, shall, in January of the year following  
26 the year he attains the age of 65, or in January of the year  
27 1970, if then more than 65 years of age, have his then fixed  
28 and payable monthly annuity increased by an amount equal to  
29 2% of the original grant of annuity, for each year the  
30 policeman was in receipt of annuity payments after the year  
31 in which he attains, or did attain the age of 63. An  
32 additional 2% increase in such then fixed and payable  
33 original granted annuity shall accrue in each January

1 thereafter. Beginning January 1, 1986, the rate of such  
2 increase shall be 3% instead of 2%.

3 The provisions of the preceding paragraph of this Section  
4 apply only to a retired policeman eligible for such increases  
5 in his annuity who contributes to the Fund a sum equal to \$5  
6 for each full year of credited service upon which his annuity  
7 was computed. All such sums contributed shall be placed in a  
8 Supplementary Payment Reserve and shall be used for the  
9 purposes of such Fund account.

10 Beginning with the monthly annuity payment due in July,  
11 1982, the fixed and granted monthly annuity payment for any  
12 policeman who retired from the service, before September 1,  
13 1976, at age 50 or over with 20 or more years of service and  
14 entitled to an annuity on January 1, 1974, shall be not less  
15 than \$400. It is the intent of the General Assembly that the  
16 change made in this Section by this amendatory Act of 1982  
17 shall apply retroactively to July 1, 1982.

18 Beginning with the monthly annuity payment due on January  
19 1, 1986, the fixed and granted monthly annuity payment for  
20 any policeman who retired from the service before January 1,  
21 1986, at age 50 or over with 20 or more years of service, or  
22 any policeman who retired from service due to termination of  
23 disability and who is entitled to an annuity on January 1,  
24 1986, shall be not less than \$475.

25 Beginning with the monthly annuity payment due on January  
26 1, 1992, the fixed and granted monthly annuity payment for  
27 any policeman who retired from the service before January 1,  
28 1992, at age 50 or over with 20 or more years of service, and  
29 for any policeman who retired from service due to termination  
30 of disability and who is entitled to an annuity on January 1,  
31 1992, shall be not less than \$650.

32 Beginning with the monthly annuity payment due on January  
33 1, 1993, the fixed and granted monthly annuity payment for  
34 any policeman who retired from the service before January 1,

1 1993, at age 50 or over with 20 or more years of service, and  
2 for any policeman who retired from service due to termination  
3 of disability and who is entitled to an annuity on January 1,  
4 1993, shall be not less than \$750.

5 Beginning with the monthly annuity payment due on January  
6 1, 1994, the fixed and granted monthly annuity payment for  
7 any policeman who retired from the service before January 1,  
8 1994, at age 50 or over with 20 or more years of service, and  
9 for any policeman who retired from service due to termination  
10 of disability and who is entitled to an annuity on January 1,  
11 1994, shall be not less than \$850.

12 Beginning with the monthly annuity payment due on January  
13 1, 2004, the fixed and granted monthly annuity payment for  
14 any policeman who retired from the service before January 1,  
15 2004, at age 50 or over with 20 or more years of service, and  
16 for any policeman who retired from service due to termination  
17 of disability and who is entitled to an annuity on January 1,  
18 2004, shall be not less than \$950.

19 Beginning with the monthly annuity payment due on January  
20 1, 2005, the fixed and granted monthly annuity payment for  
21 any policeman who retired from the service before January 1,  
22 2005, at age 50 or over with 20 or more years of service, and  
23 for any policeman who retired from service due to termination  
24 of disability and who is entitled to an annuity on January 1,  
25 2005, shall be not less than \$1,050.

26 The difference in amount between the original fixed and  
27 granted monthly annuity of any such policeman on the date of  
28 his retirement from the service and the monthly annuity  
29 provided for in the immediately preceding paragraph shall be  
30 paid as a supplement in the manner set forth in the  
31 immediately following paragraph.

32 To defray the annual cost of the increases indicated in  
33 the preceding part of this Section, the annual interest  
34 income accruing from investments held by this Fund, exclusive

1 of gains or losses on sales or exchanges of assets during the  
2 year, over and above 4% a year shall be used to the extent  
3 necessary and available to finance the cost of such increases  
4 for the following year and such amount shall be transferred  
5 as of the end of each year beginning with the year 1969 to a  
6 Fund account designated as the Supplementary Payment Reserve  
7 from the Interest and Investment Reserve set forth in Section  
8 5-207.

9 In the event the funds in the Supplementary Payment  
10 Reserve in any year arising from: (1) the interest income  
11 accruing in the preceding year above 4% a year and (2) the  
12 contributions by retired persons are insufficient to make the  
13 total payments to all persons entitled to the annuity  
14 specified in this Section and (3) any interest earnings over  
15 4% a year beginning with the year 1969 which were not  
16 previously used to finance such increases and which were  
17 transferred to the Prior Service Annuity Reserve, may be used  
18 to the extent necessary and available to provide sufficient  
19 funds to finance such increases for the current year and such  
20 sums shall be transferred from the Prior Service Annuity  
21 Reserve. In the event the total money available in the  
22 Supplementary Payment Reserve from such sources are  
23 insufficient to make the total payments to all persons  
24 entitled to such increases for the year, a proportionate  
25 amount computed as the ratio of the money available to the  
26 total of the total payments specified for that year shall be  
27 paid to each person for that year.

28 The Fund shall be obligated for the payment of the  
29 increases in annuity as provided for in this Section only to  
30 the extent that the assets for such purpose are available.

31 (Source: P.A. 91-357, eff. 7-29-99.)

32 (40 ILCS 5/5-167.4) (from Ch. 108 1/2, par. 5-167.4)  
33 Sec. 5-167.4. Widow annuitant minimum annuity.

1 (a) Notwithstanding any other provision of this Article,  
2 beginning January 1, 1996, the minimum amount of widow's  
3 annuity payable to any person who is entitled to receive a  
4 widow's annuity under this Article is \$700 per month, without  
5 regard to whether the deceased policeman is in service on or  
6 after the effective date of this amendatory Act of 1995.

7 Notwithstanding any other provision of this Article,  
8 beginning January 1, 1999, the minimum amount of widow's  
9 annuity payable to any person who is entitled to receive a  
10 widow's annuity under this Article is \$800 per month, without  
11 regard to whether the deceased policeman is in service on or  
12 after the effective date of this amendatory Act of 1998.

13 Notwithstanding any other provision of this Article,  
14 beginning January 1, 2004, the minimum amount of widow's  
15 annuity payable to any person who is entitled to receive a  
16 widow's annuity under this Article is \$900 per month, without  
17 regard to whether the deceased policeman is in service on or  
18 after the effective date of this amendatory Act of the 93rd  
19 General Assembly.

20 Notwithstanding any other provision of this Article,  
21 beginning January 1, 2005, the minimum amount of widow's  
22 annuity payable to any person who is entitled to receive a  
23 widow's annuity under this Article is \$1,000 per month,  
24 without regard to whether the deceased policeman is in  
25 service on or after the effective date of this amendatory Act  
26 of the 93rd General Assembly.

27 (b) Effective January 1, 1994, the minimum amount of  
28 widow's annuity shall be \$700 per month for the following  
29 classes of widows, without regard to whether the deceased  
30 policeman is in service on or after the effective date of  
31 this amendatory Act of 1993: (1) the widow of a policeman who  
32 dies in service with at least 10 years of service credit, or  
33 who dies in service after June 30, 1981; and (2) the widow of  
34 a policeman who withdraws from service with 20 or more years

1 of service credit and does not withdraw a refund, provided  
2 that the widow is married to the policeman before he  
3 withdraws from service.

4 (c) The city, in addition to the contributions otherwise  
5 made by it under the other provisions of this Article, shall  
6 make such contributions as are necessary for the minimum  
7 widow's annuities provided under this Section in the manner  
8 prescribed in Section 5-175.

9 (Source: P.A. 89-12, eff. 4-20-95; 90-766, eff. 8-14-98.)

10 (40 ILCS 5/5-167.5) (from Ch. 108 1/2, par. 5-167.5)

11 Sec. 5-167.5. Payments to city Group-health-benefit.

12 (a) For the purposes of this Section, "city annuitant"  
13 means a person receiving an age and service annuity, a  
14 widow's annuity, a child's annuity, or a minimum annuity  
15 under this Article as a direct result of previous employment  
16 by the City of Chicago ("the city").

17 (b) The board shall pay to the city, on behalf of the  
18 board's city annuitants who participate in any of the city's  
19 health care plans, the following amounts:

20 (1) From July 1, 2003 through June 30, 2008, \$85  
21 per month for each such annuitant who is not eligible to  
22 receive Medicare benefits and \$55 per month for each such  
23 annuitant who is eligible to receive Medicare benefits.

24 (2) From July 1, 2008 through June 30, 2013, \$95  
25 per month for each such annuitant who is not eligible to  
26 receive Medicare benefits and \$65 per month for each such  
27 annuitant who is eligible to receive Medicare benefits.

28 The payments described in this subsection shall be paid  
29 from the tax levy authorized under Section 5-168; such  
30 amounts shall be credited to the reserve for group hospital  
31 care and group medical and surgical plan benefits, and all  
32 payments to the city required under this subsection shall be  
33 charged against it.

1       (c) The city health care plans referred to in this  
 2       Section and the board's payments to the city under this  
 3       Section are not and shall not be construed to be pension or  
 4       retirement benefits for the purposes of Section 5 of Article  
 5       XIII of the Illinois Constitution of 1970.

6       (a) -- For the purposes of this Section: -- (1) -- "annuitant"  
 7       means -- a person receiving an age and service annuity, a prior  
 8       service annuity, a widow's annuity, a widow's -- prior -- service  
 9       annuity, -- or -- a minimum annuity, under Article 5, 6, 8 or 11,  
 10       by reason of previous -- employment -- by -- the -- City -- of -- Chicago  
 11       (hereinafter, -- in -- this -- Section, -- "the city"); (2) -- "Medicare  
 12       Plan annuitant" -- means -- an -- annuitant -- described -- in -- item -- (1) -- who  
 13       is eligible for Medicare benefits; and (3) -- "non-Medicare-Plan  
 14       annuitant" -- means -- an -- annuitant -- described -- in -- item -- (1) -- who -- is  
 15       not eligible for Medicare benefits.

16       (b) -- The -- city -- shall -- offer -- group -- health -- benefits -- to  
 17       annuitants and their eligible -- dependents -- through -- June -- 30,  
 18       2003. --- The -- basic -- city -- health -- care -- plan -- available -- as -- of -- June  
 19       30, 1988 -- (hereinafter -- called -- the -- basic -- city -- plan) -- shall -- cease  
 20       to be a plan offered by the -- city, -- except -- as -- specified -- in  
 21       subparagraphs -- (4) -- and -- (5) -- below, -- and -- shall -- be -- closed -- to -- new  
 22       enrollment or transfer of coverage for any non-Medicare -- Plan  
 23       annuitant -- as -- of -- June -- 27, -- 1997. --- The -- city -- shall -- offer  
 24       non-Medicare -- Plan -- annuitants -- and -- their -- eligible -- dependents  
 25       the option of enrolling in its Annuitant -- Preferred -- Provider  
 26       Plan -- and -- may -- offer -- additional -- plans -- for -- any -- annuitant. --- The  
 27       city may amend, modify, or terminate any -- of -- its -- additional  
 28       plans -- at -- its -- sole -- discretion. --- If the city offers more than  
 29       one annuitant -- plan, -- the -- city -- shall -- allow -- annuitants -- to  
 30       convert -- coverage -- from -- one -- city -- annuitant -- plan -- to -- another,  
 31       except the basic city plan, during times -- designated -- by -- the  
 32       city, -- which -- periods -- of -- time -- shall -- occur -- at -- least -- annually.  
 33       For the period dating from June 27, 1997 -- through -- June -- 30,  
 34       2003, -- monthly -- premium rates may be increased for annuitants

1 during-the-time-of-their-participation-in-non-Medicare-plans,  
2 except-as-provided-in-subparagraphs-(1)-through-(4)--of--this  
3 subsection.

4 (1)--For--non-Medicare--Plan--annuitants-who-retired  
5 prior-to--January--17--1988,--the--annuitant's--share--of  
6 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
7 not--exceed-the-highest-premium-rate-chargeable-under-any  
8 city-non-Medicare-Plan-annuitant-coverage-as-of--December  
9 17-1996.

10 (2)--For--non-Medicare-Plan-annuitants-who-retire-on  
11 or-after--January--17--1988,--the--annuitant's--share--of  
12 monthly-premium-for-non-Medicare-Plan-coverage-only-shall  
13 be--the--rate-in-effect-on-December-17-1996,--with-monthly  
14 premium-increases-to-take-effect-no-sooner-than-April--17,  
15 1998--at--the--lower--of--(i)-the-premium-rate-determined  
16 pursuant-to-subsection-(g)-or-(ii)-10%-of-the-immediately  
17 previous-month's-rate-for-similar-coverage.

18 (3)--In--no--event--shall--any--non-Medicare--Plan  
19 annuitant's--share--of--monthly--premium-for-non-Medicare  
20 Plan-coverage--exceed--10%--of--the--annuitant's--monthly  
21 annuity.

22 (4)--Non-Medicare--Plan--annuitants-who-are-enrolled  
23 in-the-basic-city-plan-as-of-July-17-1998-may--remain--in  
24 the--basic-city-plan,--if-they-so-choose,--on-the-condition  
25 that-they-are-not-entitled-to-the-caps-on-rates-set-forth  
26 in-subparagraphs-(1)-through-(3),--and-their-premium--rate  
27 shall--be--the--rate--determined--in--accordance--with  
28 subsections-(e)-and-(g).

29 (5)--Medicare--Plan--annuitants--who--are--currently  
30 enrolled-in-the-basic-city--plan--for--Medicare--eligible  
31 annuitants--may--remain--in-that-plan,--if-they-so-choose,  
32 through-June-30,--2003.--Annuitants-shall-not--be--allowed  
33 to--enroll--in--or--transfer-into-the-basic-city-plan-for  
34 Medicare-eligible-annuitants-on-or-after--July--17--1999.

1 The---city---shall---continue---to---offer--annuitants--a  
 2 supplemental--Medicare---Plan---for---Medicare---eligible  
 3 annuitants--through-June-30,2003,--and-the-city-may-offer  
 4 additional-plans-to-Medicare-eligible-annuitants--in--its  
 5 sole--discretion.---All--Medicare--Plan-annuitant-monthly  
 6 rates-shall-be-determined-in-accordance-with--subsections  
 7 (e)-and-(g).

8 (e)--The--city--shall--pay-50%-of-the-aggregated-costs-of  
 9 the--claims--or--premiums,--whichever---is---applicable,---as  
 10 determined--in--accordance-with-subsection-(g),--of-annuitants  
 11 and-their-dependents-under-all-health-care-plans--offered--by  
 12 the--city.--The-city-may-reduce-its-obligation-by-application  
 13 of--price--reductions--obtained--as--a--result--of--financial  
 14 arrangements-with-providers-or-plan-administrators.

15 (d)--From-January-1,1993-until-June-30,2003,--the--board  
 16 shall--pay--to--the--city--on--behalf--of--each--of--the-board's  
 17 annuitants-who-chooses-to-participate-in-any--of--the--city's  
 18 plans-the-following-amounts:-up-to-a-maximum-of-\$75-per-month  
 19 for--each--such--annuitant--who--is--not-qualified-to-receive  
 20 medicare-benefits,--and-up-to-a-maximum-of-\$45-per--month--for  
 21 each--such--annuitant--who--is--qualified-to-receive-medicare  
 22 benefits.

23 The-payments-described-in-this-subsection-shall--be--paid  
 24 from--the--tax--levy--authorized--under--Section--5-168;-such  
 25 amounts-shall-be-credited-to-the-reserve-for--group--hospital  
 26 care--and--group--medical-and-surgical-plan-benefits,--and-all  
 27 payments-to-the-city-required-under-this-subsection-shall--be  
 28 charged-against-it.

29 (e)--The-city's-obligations-under-subsections-(b)-and-(c)  
 30 shall--terminate--on--June--30,2003,--except-with-regard-to  
 31 covered-expenses-incurred-but-not-paid-as-of-that-date.--This  
 32 subsection-shall-not-affect-other--obligations--that--may--be  
 33 imposed-by-law.

34 (f)--The--group--coverage-plans-described-in-this-Section

1 are--not--and--shall--not--be--construed--to--be--pension--or  
2 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII  
3 of-the-Illinois-Constitution-of-1970.

4 (g)--For-each-annuitant-plan-offered--by--the--city,--the  
5 aggregate--cost--of-claims,--as-reflected-in-the-claim-records  
6 of-the-plan-administrator,--shall-be-estimated--by--the--city,  
7 based-upon-a-written-determination-by-a-qualified-independent  
8 actuary--to--be-appointed-and-paid-by-the-city-and-the-board.  
9 If-the-estimated-annual-cost-for-each-annuitant-plan--offered  
10 by--the--city--is--more--than--the--estimated--amount--to--be  
11 contributed-by-the-city-for-that-plan-pursuant-to-subsections  
12 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be  
13 paid--pursuant--to--subsection--(d)--and-by-the-other-pension  
14 boards-on--behalf--of--other--participating--annuitants,--the  
15 difference--shall--be-paid-by-all-annuitants-participating-in  
16 the-plan,--except-as-provided-in-subsection--(b).---The--city,  
17 based--upon--the--determination--of--the-independent-actuary,  
18 shall-set-the-monthly-amounts-to-be-paid-by-the-participating  
19 annuitants.---The-board-may-deduct-the-amounts-to-be-paid--by  
20 its--annuitants--from--the--participating-annuitants'-monthly  
21 annuities.

22 If-it-is-determined-from-the-city's-annual-audit,--or-from  
23 audited-experience-data,--that-the-total-amount--paid--by--all  
24 participating-annuitants-was-more-or-less-than-the-difference  
25 between--(1)--the--cost--of--providing--the-group-health-care  
26 plans,--and--(2)--the-sum-of-the-amount-to-be-paid-by--the--city  
27 as--determined--under--subsection-(c)-and-the-amounts-paid-by  
28 all-the-pension-boards,--then-the-independent-actuary-and--the  
29 city--shall--account--for-the-excess-or-shortfall-in-the-next  
30 year's--payments--by--annuitants,--except--as--provided--in  
31 subsection-(b).

32 (h)--An--annuitant--may--elect-to-terminate-coverage-in-a  
33 plan-at-the-end-of-any-month,--which-election-shall--terminate  
34 the--annuitant's--obligation--to-contribute-toward-payment-of

1 ~~the excess described in subsection (g).~~

2 ~~(i) The city shall advise the board of all proposed~~  
3 ~~premium increases for health care at least 75 days prior to~~  
4 ~~the effective date of the change, and any increase shall be~~  
5 ~~prospective only.~~

6 (Source: P.A. 92-599, eff. 6-28-02.)

7 (40 ILCS 5/6-128.2) (from Ch. 108 1/2, par. 6-128.2)

8 Sec. 6-128.2. Minimum retirement annuities.

9 (a) Beginning with the monthly payment due in January,  
10 1988, the monthly annuity payment for any person who is  
11 entitled to receive a retirement annuity under this Article  
12 in January, 1990 and has retired from service at age 50 or  
13 over with 20 or more years of service, and for any person who  
14 retires from service on or after January 24, 1990 at age 50  
15 or over with 20 or more years of service, shall not be less  
16 than \$475 per month. The \$475 minimum annuity is exclusive of  
17 any automatic annual increases provided by Sections 6-164 and  
18 6-164.1, but not exclusive of previous raises in the minimum  
19 annuity as provided by any Section of this Article.

20 Beginning January 1, 1992, the minimum retirement annuity  
21 payable to any person who has retired from service at age 50  
22 or over with 20 or more years of service and is entitled to  
23 receive a retirement annuity under this Article on that date,  
24 or who retires from service at age 50 or over with 20 or more  
25 years of service after that date, shall be \$650 per month.

26 Beginning January 1, 1993, the minimum retirement annuity  
27 payable to any person who has retired from service at age 50  
28 or over with 20 or more years of service and is entitled to  
29 receive a retirement annuity under this Article on that date,  
30 or who retires from service at age 50 or over with 20 or more  
31 years of service after that date, shall be \$750 per month.

32 Beginning January 1, 1994, the minimum retirement annuity  
33 payable to any person who has retired from service at age 50

1 or over with 20 or more years of service and is entitled to  
2 receive a retirement annuity under this Article on that date,  
3 or who retires from service at age 50 or over with 20 or more  
4 years of service after that date, shall be \$850 per month.

5 Beginning January 1, 2004, the minimum retirement annuity  
6 payable to any person who has retired from service at age 50  
7 or over with 20 or more years of service and is entitled to  
8 receive a retirement annuity under this Article on that date,  
9 or who retires from service at age 50 or over with 20 or more  
10 years of service after that date, shall be \$950 per month.

11 Beginning January 1, 2005, the minimum retirement annuity  
12 payable to any person who has retired from service at age 50  
13 or over with 20 or more years of service and is entitled to  
14 receive a retirement annuity under this Article on that date,  
15 or who retires from service at age 50 or over with 20 or more  
16 years of service after that date, shall be \$1,050 per month.

17 The minimum annuities established by this subsection (a)  
18 do include previous raises in the minimum annuity as provided  
19 by any Section of this Article, but do not include any sums  
20 which have been added or will be added to annuity payments by  
21 the automatic annual increases provided by Sections 6-164 and  
22 6-164.1. Such annual increases shall be paid in addition to  
23 the minimum amounts specified in this subsection.

24 (b) Notwithstanding any other provision of this Article,  
25 beginning January 1, 1990, the minimum retirement annuity  
26 payable to any person who is entitled to receive a retirement  
27 annuity under this Article on that date shall be \$475 per  
28 month.

29 (c) This Section shall apply to all persons receiving a  
30 retirement annuity under this Article, without regard to  
31 whether the retirement of the fireman occurred prior to the  
32 effective date of this amendatory Act of 1993.

33 (Source: P.A. 86-273; 86-1027; 86-1028; 86-1475; 87-849;  
34 87-1265.)

1 (40 ILCS 5/6-128.4) (from Ch. 108 1/2, par. 6-128.4)  
2 Sec. 6-128.4. Minimum widow's annuities.

3 (a) Notwithstanding any other provision of this Article,  
4 beginning January 1, 1996, the minimum amount of widow's  
5 annuity payable to any person who is entitled to receive a  
6 widow's annuity under this Article is \$700 per month, without  
7 regard to whether the deceased fireman is in service on or  
8 after the effective date of this amendatory Act of 1995.

9 (b) Notwithstanding Section 6-128.3, beginning January  
10 1, 1994, the minimum widow's annuity under this Article shall  
11 be \$700 per month for (1) all persons receiving widow's  
12 annuities on that date who are survivors of employees who  
13 retired at age 50 or over with at least 20 years of service,  
14 and (2) persons who become eligible for widow's annuities and  
15 are survivors of employees who retired at age 50 or over with  
16 at least 20 years of service.

17 (c) Notwithstanding Section 6-128.3, beginning January  
18 1, 1999, the minimum widow's annuity under this Article shall  
19 be \$800 per month for (1) all persons receiving widow's  
20 annuities on that date who are survivors of employees who  
21 retired at age 50 or over with at least 20 years of service,  
22 and (2) persons who become eligible for widow's annuities and  
23 are survivors of employees who retired at age 50 or over with  
24 at least 20 years of service.

25 (d) Notwithstanding Section 6-128.3, beginning January  
26 1, 2004, the minimum widow's annuity under this Article shall  
27 be \$900 per month for (1) all persons receiving widow's  
28 annuities on that date who are survivors of employees who  
29 retired at age 50 or over with at least 20 years of service,  
30 and (2) persons who become eligible for widow's annuities and  
31 are survivors of employees who retired at age 50 or over with  
32 at least 20 years of service.

33 (e) Notwithstanding Section 6-128.3, beginning January  
34 1, 2005, the minimum widow's annuity under this Article shall

1 be \$1,000 per month for (1) all persons receiving widow's  
2 annuities on that date who are survivors of employees who  
3 retired at age 50 or over with at least 20 years of service,  
4 and (2) persons who become eligible for widow's annuities and  
5 are survivors of employees who retired at age 50 or over with  
6 at least 20 years of service.

7 (Source: P.A. 89-136, eff. 7-14-95; 90-766, eff. 8-14-98.)

8 (40 ILCS 5/6-164.2) (from Ch. 108 1/2, par. 6-164.2)

9 Sec. 6-164.2. Payments to city Group-health-benefit.

10 (a) For the purposes of this Section, "city annuitant"  
11 means a person receiving an age and service annuity, a  
12 widow's annuity, a child's annuity, or a minimum annuity  
13 under this Article as a direct result of previous employment  
14 by the City of Chicago ("the city").

15 (b) The board shall pay to the city, on behalf of the  
16 board's city annuitants who participate in any of the city's  
17 health care plans, the following amounts:

18 (1) From July 1, 2003 through June 30, 2008, \$85  
19 per month for each such annuitant who is not eligible to  
20 receive Medicare benefits and \$55 per month for each such  
21 annuitant who is eligible to receive Medicare benefits.

22 (2) From July 1, 2008 through June 30, 2013, \$95  
23 per month for each such annuitant who is not eligible to  
24 receive Medicare benefits and \$65 per month for each such  
25 annuitant who is eligible to receive Medicare benefits.

26 The payments described in this subsection shall be paid  
27 from the tax levy authorized under Section 6-165; such  
28 amounts shall be credited to the reserve for group hospital  
29 care and group medical and surgical plan benefits, and all  
30 payments to the city required under this subsection shall be  
31 charged against it.

32 (c) The city health care plans referred to in this  
33 Section and the board's payments to the city under this

1 Section are not and shall not be construed to be pension or  
2 retirement benefits for the purposes of Section 5 of Article  
3 XIII of the Illinois Constitution of 1970.

4 (a) For the purposes of this Section: (1) "annuitant"  
5 means a person receiving an age and service annuity, a prior  
6 service annuity, a widow's annuity, a widow's prior service  
7 annuity, or a minimum annuity, under Article 5, 6, 8 or 11,  
8 by reason of previous employment by the City of Chicago  
9 (hereinafter, in this Section, "the city"); (2) "Medicare  
10 Plan annuitant" means an annuitant described in item (1) who  
11 is eligible for Medicare benefits; and (3) "non-Medicare-Plan  
12 annuitant" means an annuitant described in item (1) who is  
13 not eligible for Medicare benefits.

14 (b) The city shall offer group health benefits to  
15 annuitants and their eligible dependents through June 30,  
16 2003. The basic city health care plan available as of June  
17 30, 1988 (hereinafter called the basic city plan) shall cease  
18 to be a plan offered by the city, except as specified in  
19 subparagraphs (4) and (5) below, and shall be closed to new  
20 enrollment or transfer of coverage for any non-Medicare-Plan  
21 annuitant as of June 27, 1997. The city shall offer  
22 non-Medicare-Plan annuitants and their eligible dependents  
23 the option of enrolling in its Annuitant Preferred Provider  
24 Plan and may offer additional plans for any annuitant. The  
25 city may amend, modify, or terminate any of its additional  
26 plans at its sole discretion. If the city offers more than  
27 one annuitant plan, the city shall allow annuitants to  
28 convert coverage from one city annuitant plan to another,  
29 except the basic city plan, during times designated by the  
30 city, which periods of time shall occur at least annually.  
31 For the period dating from June 27, 1997 through June 30,  
32 2003, monthly premium rates may be increased for annuitants  
33 during the time of their participation in non-Medicare plans,  
34 except as provided in subparagraphs (1) through (4) of this

1 subsection.

2 (1) For non-Medicare Plan annuitants who retired  
3 prior to January 17, 1987, the annuitant's share of  
4 monthly premium for non-Medicare Plan coverage only shall  
5 not exceed the highest premium rate chargeable under any  
6 city non-Medicare Plan annuitant coverage as of December  
7 17, 1996.

8 (2) For non-Medicare Plan annuitants who retire on  
9 or after January 17, 1987, the annuitant's share of  
10 monthly premium for non-Medicare Plan coverage only shall  
11 be the rate in effect on December 17, 1996, with monthly  
12 premium increases to take effect no sooner than April 17,  
13 1998, at the lower of (i) the premium rate determined  
14 pursuant to subsection (g) or (ii) 10% of the immediately  
15 previous month's rate for similar coverage.

16 (3) In no event shall any non-Medicare Plan  
17 annuitant's share of monthly premium for non-Medicare  
18 Plan coverage exceed 10% of the annuitant's monthly  
19 annuity.

20 (4) Non-Medicare Plan annuitants who are enrolled  
21 in the basic city plan as of July 17, 1998 may remain in  
22 the basic city plan, if they so choose, on the condition  
23 that they are not entitled to the caps on rates set forth  
24 in subparagraphs (1) through (3), and their premium rate  
25 shall be the rate determined in accordance with  
26 subsections (e) and (g).

27 (5) Medicare Plan annuitants who are currently  
28 enrolled in the basic city plan for Medicare eligible  
29 annuitants may remain in that plan, if they so choose,  
30 through June 30, 2003. Annuitants shall not be allowed  
31 to enroll in or transfer into the basic city plan for  
32 Medicare eligible annuitants on or after July 17, 1999.  
33 The city shall continue to offer annuitants a  
34 supplemental Medicare Plan for Medicare eligible

1 annuitants--through-June-30,2003,-and-the-city-may-offer  
 2 additional-plans-to-Medicare-eligible-annuitants--in--its  
 3 sole--discretion.---All--Medicare--Plan-annuitant-monthly  
 4 rates-shall-be-determined-in-accordance-with--subsections  
 5 (e)-and-(g)-.

6 (e)--The--city--shall--pay-50%-of-the-aggregated-costs-of  
 7 the--claims--or--premiums,--whichever---is---applicable,---as  
 8 determined--in--accordance-with-subsection-(g),-of-annuitants  
 9 and-their-dependents-under-all-health-care-plans--offered--by  
 10 the--city.--The-city-may-reduce-its-obligation-by-application  
 11 of--price--reductions--obtained--as--a--result--of--financial  
 12 arrangements-with-providers-or-plan-administrators-

13 (d)--From-January-1,1993-until-June-30,2003,-the--board  
 14 shall--pay--to--the--city--on--behalf--of-each-of-the-board's  
 15 annuitants-who-chooses-to-participate-in-any--of--the--city's  
 16 plans-the-following-amounts:-up-to-a-maximum-of-\$75-per-month  
 17 for--each--such--annuitant--who--is--not-qualified-to-receive  
 18 medicare-benefits,-and-up-to-a-maximum-of-\$45-per--month--for  
 19 each--such--annuitant--who--is--qualified-to-receive-medicare  
 20 benefits-

21 The-payments-described-in-this-subsection-shall--be--paid  
 22 from--the--tax--levy--authorized--under--Section--6-165;-such  
 23 amounts-shall-be-credited-to-the-reserve-for--group--hospital  
 24 care--and--group--medical-and-surgical-plan-benefits,-and-all  
 25 payments-to-the-city-required-under-this-subsection-shall--be  
 26 charged-against-it-

27 (e)--The-city's-obligations-under-subsections-(b)-and-(c)  
 28 shall--terminate--on--June--30,2003,-except-with-regard-to  
 29 covered-expenses-incurred-but-not-paid-as-of-that-date.--This  
 30 subsection-shall-not-affect-other--obligations--that--may--be  
 31 imposed-by-law-

32 (f)--The--group--coverage-plans-described-in-this-Section  
 33 are--not--and--shall--not--be--construed--to--be--pension--or  
 34 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII

1 of-the-Illinois-Constitution-of-1970.

2 (g)--For-each-annuitant-plan-offered-by-the-city, the  
3 aggregate-cost-of-claims, as-reflected-in-the-claim-records  
4 of-the-plan-administrator, shall-be-estimated-by-the-city,  
5 based-upon-a-written-determination-by-a-qualified-independent  
6 actuary-to-be-appointed-and-paid-by-the-city-and-the-board.  
7 If-the-estimated-annual-cost-for-each-annuitant-plan-offered  
8 by-the-city-is-more-than-the-estimated-amount-to-be  
9 contributed-by-the-city-for-that-plan-pursuant-to-subsections  
10 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be  
11 paid-pursuant-to-subsection-(d)-and-by-the-other-pension  
12 boards-on-behalf-of-other-participating-annuitants, the  
13 difference-shall-be-paid-by-all-annuitants-participating-in  
14 the-plan, except-as-provided-in-subsection-(b).--The-city,  
15 based-upon-the-determination-of-the-independent-actuary,  
16 shall-set-the-monthly-amounts-to-be-paid-by-the-participating  
17 annuitants.--The-board-may-deduct-the-amounts-to-be-paid-by  
18 its-annuitants-from-the-participating-annuitants' monthly  
19 annuities.

20 If-it-is-determined-from-the-city's-annual-audit, or-from  
21 audited-experience-data, that-the-total-amount-paid-by-all  
22 participating-annuitants-was-more-or-less-than-the-difference  
23 between-(1)-the-cost-of-providing-the-group-health-care  
24 plans, and-(2)-the-sum-of-the-amount-to-be-paid-by-the-city  
25 as-determined-under-subsection-(c)-and-the-amounts-paid-by  
26 all-the-pension-boards, then-the-independent-actuary-and-the  
27 city-shall-account-for-the-excess-or-shortfall-in-the-next  
28 year's-payments-by-annuitants, except-as-provided-in  
29 subsection-(b).

30 (h)--An-annuitant-may-elect-to-terminate-coverage-in-a  
31 plan-at-the-end-of-any-month, which-election-shall-terminate  
32 the-annuitant's-obligation-to-contribute-toward-payment-of  
33 the-excess-described-in-subsection-(g).

34 (i)--The-city-shall-advise-the-board-of-all-proposed

1 premium--increases--for-health-care-at-least-75-days-prior-to  
2 the-effective-date-of-the-change,-and-any-increase--shall--be  
3 prospective-only.

4 (Source: P.A. 92-599, eff. 6-28-02.)

5 (40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

6 Sec. 8-137. Automatic increase in annuity.

7 (a) An employee who retired or retires from service  
8 after December 31, 1959 and before January 1, 1987, having  
9 attained age 60 or more, shall, in January of the year after  
10 the year in which the first anniversary of retirement occurs,  
11 have the amount of his then fixed and payable monthly annuity  
12 increased by 1 1/2%, and such first fixed annuity as granted  
13 at retirement increased by a further 1 1/2% in January of  
14 each year thereafter. Beginning with January of the year  
15 1972, such increases shall be at the rate of 2% in lieu of  
16 the aforesaid specified 1 1/2%, and beginning with January of  
17 the year 1984 such increases shall be at the rate of 3%.  
18 Beginning in January of 1999, such increases shall be at the  
19 rate of 3% of the currently payable monthly annuity,  
20 including any increases previously granted under this  
21 Article. An employee who retires on annuity after December  
22 31, 1959 and before January 1, 1987, but before age 60, shall  
23 receive such increases beginning in January of the year after  
24 the year in which he attains age 60.

25 An employee who retires from service on or after January  
26 1, 1987 shall, upon the first annuity payment date following  
27 the first anniversary of the date of retirement, or upon the  
28 first annuity payment date following attainment of age 60,  
29 whichever occurs later, have his then fixed and payable  
30 monthly annuity increased by 3%, and such annuity shall be  
31 increased by an additional 3% of the original fixed annuity  
32 on the same date each year thereafter. Beginning in January  
33 of 1999, such increases shall be at the rate of 3% of the

1 currently payable monthly annuity, including any increases  
2 previously granted under this Article.

3 (a-5) Notwithstanding the provisions of subsection (a),  
4 upon the first annuity payment date following (1) the third  
5 anniversary of retirement, (2) the attainment of age 53, or  
6 (3) January 1, 2002, ~~the date 60 days after the effective~~  
7 ~~date of this amendatory Act of the 92nd General Assembly,~~  
8 whichever occurs latest, the monthly annuity of an employee  
9 who retires on annuity prior to the attainment of age 60 and  
10 who has not received an increase under subsection (a) shall  
11 be increased by 3%, and the such annuity shall be increased  
12 by an additional 3% of the current payable monthly annuity,  
13 including any such increases previously granted under this  
14 Article, on the same date each year thereafter. The  
15 increases provided under this subsection are in lieu of the  
16 increases provided in subsection (a).

17 (a-6) Notwithstanding the provisions of subsections (a)  
18 and (a-5), for all calendar years following the year in which  
19 this amendatory Act of the 93rd General Assembly takes  
20 effect, an increase in annuity under this Section that would  
21 otherwise take effect at any time during the year shall  
22 instead take effect in January of that year.

23 (b) Subsections (a), and (a-5), and (a-6) are not  
24 applicable to an employee retiring and receiving a term  
25 annuity, as herein defined, nor to any otherwise qualified  
26 employee who retires before he makes employee contributions  
27 (at the 1/2 of 1% rate as provided in this Act) for this  
28 additional annuity for not less than the equivalent of one  
29 full year. Such employee, however, shall make arrangement to  
30 pay to the fund a balance of such 1/2 of 1% contributions,  
31 based on his final salary, as will bring such 1/2 of 1%  
32 contributions, computed without interest, to the equivalent  
33 of or completion of one year's contributions.

34 Beginning with January, 1960, each employee shall

1 contribute by means of salary deductions 1/2 of 1% of each  
2 salary payment, concurrently with and in addition to the  
3 employee contributions otherwise made for annuity purposes.

4 Each such additional contribution shall be credited to an  
5 account in the prior service annuity reserve, to be used,  
6 together with city contributions, to defray the cost of the  
7 specified annuity increments. Any balance in such account at  
8 the beginning of each calendar year shall be credited with  
9 interest at the rate of 3% per annum.

10 Such additional employee contributions are not  
11 refundable, except to an employee who withdraws and applies  
12 for refund under this Article, and in cases where a term  
13 annuity becomes payable. In such cases his contributions  
14 shall be refunded, without interest, and charged to such  
15 account in the prior service annuity reserve.

16 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
17 revised 8-26-02.)

18 (40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

19 Sec. 8-138. Minimum annuities - Additional provisions.

20 (a) An employee who withdraws after age 65 or more with  
21 at least 20 years of service, for whom the amount of age and  
22 service and prior service annuity combined is less than the  
23 amount stated in this Section, shall from the date of  
24 withdrawal, instead of all annuities otherwise provided, be  
25 entitled to receive an annuity for life of \$150 a year, plus  
26 1 1/2% for each year of service, to and including 20 years,  
27 and 1 2/3% for each year of service over 20 years, of his  
28 highest average annual salary for any 4 consecutive years  
29 within the last 10 years of service immediately preceding the  
30 date of withdrawal.

31 An employee who withdraws after 20 or more years of  
32 service, before age 65, shall be entitled to such annuity, to  
33 begin not earlier than upon attained age of 55 years if under

1 such age at withdrawal, reduced by 2% for each full year or  
2 fractional part thereof that his attained age is less than  
3 65, plus an additional 2% reduction for each full year or  
4 fractional part thereof that his attained age when annuity is  
5 to begin is less than 60 so that the total reduction at age  
6 55 shall be 30%.

7 (b) An employee who withdraws after July 1, 1957, at age  
8 60 or over, with 20 or more years of service, for whom the  
9 age and service and prior service annuity combined, is less  
10 than the amount stated in this paragraph, shall, from the  
11 date of withdrawal, instead of such annuities, be entitled to  
12 receive an annuity for life equal to 1 2/3% for each year of  
13 service, of the highest average annual salary for any 5  
14 consecutive years within the last 10 years of service  
15 immediately preceding the date of withdrawal; provided, that  
16 in the case of any employee who withdraws on or after July 1,  
17 1971, such employee age 60 or over with 20 or more years of  
18 service, shall receive an annuity for life equal to 1.67% for  
19 each of the first 10 years of service; 1.90% for each of the  
20 next 10 years of service; 2.10% for each year of service in  
21 excess of 20 but not exceeding 30; and 2.30% for each year of  
22 service in excess of 30, based on the highest average annual  
23 salary for any 4 consecutive years within the last 10 years  
24 of service immediately preceding the date of withdrawal.

25 An employee who withdraws after July 1, 1957 and before  
26 January 1, 1988, with 20 or more years of service, before age  
27 60 years is entitled to annuity, to begin not earlier than  
28 upon attained age of 55 years, if under such age at  
29 withdrawal, as computed in the last preceding paragraph,  
30 reduced 0.25% for each full month or fractional part thereof  
31 that his attained age when annuity is to begin is less than  
32 60 if the employee was born before January 1, 1936, or 0.5%  
33 for each such month if the employee was born on or after  
34 January 1, 1936.

1 Any employee born before January 1, 1936, who withdraws  
2 with 20 or more years of service, and any employee with 20 or  
3 more years of service who withdraws on or after January 1,  
4 1988, may elect to receive, in lieu of any other employee  
5 annuity provided in this Section, an annuity for life equal  
6 to 1.80% for each of the first 10 years of service, 2.00% for  
7 each of the next 10 years of service, 2.20% for each year of  
8 service in excess of 20 but not exceeding 30, and 2.40% for  
9 each year of service in excess of 30, of the highest average  
10 annual salary for any 4 consecutive years within the last 10  
11 years of service immediately preceding the date of  
12 withdrawal, to begin not earlier than upon attained age of 55  
13 years, if under such age at withdrawal, reduced 0.25% for  
14 each full month or fractional part thereof that his attained  
15 age when annuity is to begin is less than 60; except that an  
16 employee retiring on or after January 1, 1988, at age 55 or  
17 over but less than age 60, having at least 35 years of  
18 service, or an employee retiring on or after July 1, 1990, at  
19 age 55 or over but less than age 60, having at least 30 years  
20 of service, or an employee retiring on or after the effective  
21 date of this amendatory Act of 1997, at age 55 or over but  
22 less than age 60, having at least 25 years of service, shall  
23 not be subject to the reduction in retirement annuity because  
24 of retirement below age 60.

25 However, in the case of an employee who retired on or  
26 after January 1, 1985 but before January 1, 1988, at age 55  
27 or older and with at least 35 years of service, and who was  
28 subject under this subsection (b) to the reduction in  
29 retirement annuity because of retirement below age 60, that  
30 reduction shall cease to be effective January 1, 1991, and  
31 the retirement annuity shall be recalculated accordingly.

32 Any employee who withdraws on or after July 1, 1990, with  
33 20 or more years of service, may elect to receive, in lieu of  
34 any other employee annuity provided in this Section, an

1 annuity for life equal to 2.20% for each year of service if  
2 withdrawal is before January 1, 2002, ~~60-days-after-the~~  
3 ~~effective-date-of-this-amendatory-Act--of--the--92nd--General~~  
4 ~~Assembly,~~ or 2.40% for each year of service if withdrawal is  
5 on or after January 1, 2002, ~~60-days-after-the-effective-date~~  
6 ~~of-this-amendatory-Act-of-the-92nd-General-Assembly-or-later,~~  
7 of the highest average annual salary for any 4 consecutive  
8 years within the last 10 years of service immediately  
9 preceding the date of withdrawal, to begin not earlier than  
10 upon attained age of 55 years, if under such age at  
11 withdrawal, reduced 0.25% for each full month or fractional  
12 part thereof that his attained age when annuity is to begin  
13 is less than 60; except that an employee retiring at age 55  
14 or over but less than age 60, having at least 30 years of  
15 service, shall not be subject to the reduction in retirement  
16 annuity because of retirement below age 60.

17 Any employee who withdraws on or after the effective date  
18 of this amendatory Act of 1997 with 20 or more years of  
19 service may elect to receive, in lieu of any other employee  
20 annuity provided in this Section, an annuity for life equal  
21 to 2.20% for each year of service, if withdrawal is before  
22 January 1, 2002, ~~60--days-after-the-effective-date-of-this~~  
23 ~~amendatory-Act-of-the-92nd-General--Assembly,~~ or 2.40% for  
24 each year of service if withdrawal is on or after January 1,  
25 2002, ~~60-days-after-the-effective-date-of-this-amendatory-Act~~  
26 ~~of-the-92nd-General-Assembly-or-later,~~ of the highest average  
27 annual salary for any 4 consecutive years within the last 10  
28 years of service immediately preceding the date of  
29 withdrawal, to begin not earlier than upon attainment of age  
30 55 (age 50 if the employee has at least 30 years of service),  
31 reduced 0.25% for each full month or remaining fractional  
32 part thereof that the employee's attained age when annuity is  
33 to begin is less than 60; except that an employee retiring at  
34 age 50 or over with at least 30 years of service or at age 55

1 or over with at least 25 years of service shall not be  
2 subject to the reduction in retirement annuity because of  
3 retirement below age 60.

4 The maximum annuity payable under part (a) and (b) of  
5 this Section shall not exceed 70% of highest average annual  
6 salary in the case of an employee who withdraws prior to July  
7 1, 1971, 75% if withdrawal takes place on or after July 1,  
8 1971 and prior to January 1, 2002, ~~60--days--after-the~~  
9 ~~effective-date-of-this-amendatory-Act--of--the--92nd--General~~  
10 ~~Assembly,~~ or 80% if withdrawal takes place on or after  
11 January 1, 2002 ~~is-60-days-after-the-effective-date--of--this~~  
12 ~~amendatory--Act--of--the-92nd-General-Assembly-or-later.~~ For  
13 the purpose of the minimum annuity provided in this Section  
14 \$1,500 is considered the minimum annual salary for any year;  
15 and the maximum annual salary for the computation of such  
16 annuity is \$4,800 for any year before 1953, \$6000 for the  
17 years 1953 to 1956, inclusive, and the actual annual salary,  
18 as salary is defined in this Article, for any year  
19 thereafter.

20 To preserve rights existing on December 31, 1959, for  
21 participants and contributors on that date to the fund  
22 created by the Court and Law Department Employees' Annuity  
23 Act, who became participants in the fund provided for on  
24 January 1, 1960, the maximum annual salary to be considered  
25 for such persons for the years 1955 and 1956 is \$7,500.

26 (c) For an employee receiving disability benefit, his  
27 salary for annuity purposes under paragraphs (a) and (b) of  
28 this Section, for all periods of disability benefit  
29 subsequent to the year 1956, is the amount on which his  
30 disability benefit was based.

31 (d) An employee with 20 or more years of service, whose  
32 entire disability benefit credit period expires before  
33 attainment of age 55 while still disabled for service, is  
34 entitled upon withdrawal to the larger of (1) the minimum

1 annuity provided above, assuming he is then age 55, and  
2 reducing such annuity to its actuarial equivalent as of his  
3 attained age on such date or (2) the annuity provided from  
4 his age and service and prior service annuity credits.

5 (e) The minimum annuity provisions do not apply to any  
6 former municipal employee receiving an annuity from the fund  
7 who re-enters service as a municipal employee, unless he  
8 renders at least 3 years of additional service after the date  
9 of re-entry.

10 (f) An employee in service on July 1, 1947, or who  
11 became a contributor after July 1, 1947 and before attainment  
12 of age 70, who withdraws after age 65, with less than 20  
13 years of service for whom the annuity has been fixed under  
14 this Article shall, instead of the annuity so fixed, receive  
15 an annuity as follows:

16 Such amount as he could have received had the accumulated  
17 amounts for annuity been improved with interest at the  
18 effective rate to the date of his withdrawal, or to  
19 attainment of age 70, whichever is earlier, and had the city  
20 contributed to such earlier date for age and service annuity  
21 the amount that it would have contributed had he been under  
22 age 65, after the date his annuity was fixed in accordance  
23 with this Article, and assuming his annuity were computed  
24 from such accumulations as of his age on such earlier date.  
25 The annuity so computed shall not exceed the annuity which  
26 would be payable under the other provisions of this Section  
27 if the employee was credited with 20 years of service and  
28 would qualify for annuity thereunder.

29 (g) Instead of the annuity provided in this Article, an  
30 employee having attained age 65 with at least 15 years of  
31 service who withdraws from service on or after July 1, 1971  
32 and whose annuity computed under other provisions of this  
33 Article is less than the amount provided under this  
34 paragraph, is entitled to a minimum annuity for life equal to

1 1% of the highest average annual salary, as salary is defined  
2 and limited in this Section for any 4 consecutive years  
3 within the last 10 years of service for each year of service,  
4 plus the sum of \$25 for each year of service. The annuity  
5 shall not exceed 60% of such highest average annual salary.

6 (g-1) Instead of any other retirement annuity provided  
7 in this Article, an employee who has at least 10 years of  
8 service and withdraws from service on or after January 1,  
9 1999 may elect to receive a retirement annuity for life,  
10 beginning no earlier than upon attainment of age 60, equal to  
11 2.2% if withdrawal is before January 1, 2002, ~~60-days-after~~  
12 ~~the-effective-date-of-this-amendatory-Act-of-the-92nd-General~~  
13 ~~Assembly~~ or 2.4% if withdrawal is on or after January 1,  
14 2002, ~~60-days-after-the-effective-date-of-this-amendatory-Act~~  
15 ~~of--the--92nd--General--Assembly--or--later,~~ of final average  
16 salary for each year of service, subject to a maximum of 75%  
17 of final average salary if withdrawal is before January 1,  
18 2002, or 80% if withdrawal is on or after January 1, 2002.  
19 For the purpose of calculating this annuity, "final average  
20 salary" means the highest average annual salary for any 4  
21 consecutive years in the last 10 years of service.

22 (h) The minimum annuities provided under this Section  
23 shall be paid in equal monthly installments.

24 (i) The amendatory provisions of part (b) and (g) of  
25 this Section shall be effective July 1, 1971 and apply in the  
26 case of every qualifying employee withdrawing on or after  
27 July 1, 1971.

28 (j) The amendatory provisions of this amendatory Act of  
29 1985 (P.A. 84-23) relating to the discount of annuity because  
30 of retirement prior to attainment of age 60, and to the  
31 retirement formula, for those born before January 1, 1936,  
32 shall apply only to qualifying employees withdrawing on or  
33 after July 18, 1985.

34 (j-1) The changes made to this Section by Public Act

1 92-609 ~~this--amendatory--Act--of--the--92nd-General-Assembly~~  
2 (increasing the retirement formula to 2.4% per year of  
3 service and increasing the maximum to 80%) apply to persons  
4 who withdraw from service on or after January 1, 2002,  
5 regardless of whether that withdrawal takes place before the  
6 effective date of that ~~this-amendatory~~ Act. In the case of a  
7 person who withdraws from service on or after January 1, 2002  
8 but begins to receive a retirement annuity before July 1,  
9 2002 ~~the--effective-date-of-this-amendatory-Act~~, the annuity  
10 shall be recalculated, with the increase resulting from  
11 Public ~~this-amendatory~~ Act 92-609 accruing from the date the  
12 retirement annuity began. The changes made by Public Act  
13 92-609 control over the changes made by Public Act 92-599, as  
14 provided in Section 95 of P.A. 92-609.

15 (k) Beginning on January 1, 1999, the minimum amount of  
16 employee's annuity shall be \$850 per month for life for the  
17 following classes of employees, without regard to the fact  
18 that withdrawal occurred prior to the effective date of this  
19 amendatory Act of 1998:

20 (1) any employee annuitant alive and receiving a  
21 life annuity on the effective date of this amendatory Act  
22 of 1998, except a reciprocal annuity;

23 (2) any employee annuitant alive and receiving a  
24 term annuity on the effective date of this amendatory Act  
25 of 1998, except a reciprocal annuity;

26 (3) any employee annuitant alive and receiving a  
27 reciprocal annuity on the effective date of this  
28 amendatory Act of 1998, whose service in this fund is at  
29 least 5 years;

30 (4) any employee annuitant withdrawing after age 60  
31 on or after the effective date of this amendatory Act of  
32 1998, with at least 10 years of service in this fund.

33 The increases granted under items (1), (2) and (3) of  
34 this subsection (k) shall not be limited by any other Section

1 of this Act.

2 (1) Beginning on January 1, 2004, the minimum amount of  
3 employee's annuity shall be \$950 per month for life for the  
4 following classes of employees, without regard to the fact  
5 that withdrawal occurred prior to the effective date of this  
6 amendatory Act of the 93rd General Assembly:

7 (1) any employee annuitant alive and receiving a  
8 life annuity on the effective date of this amendatory Act  
9 of the 93rd General Assembly, except a reciprocal  
10 annuity;

11 (2) any employee annuitant alive and receiving a  
12 term annuity on the effective date of this amendatory Act  
13 of the 93rd General Assembly, except a reciprocal  
14 annuity;

15 (3) any employee annuitant alive and receiving a  
16 reciprocal annuity on the effective date of this  
17 amendatory Act of the 93rd General Assembly, whose  
18 service in this fund is at least 5 years;

19 (4) any employee annuitant withdrawing after age 60  
20 on or after the effective date of this amendatory Act of  
21 the 93rd General Assembly, with at least 10 years of  
22 service in this fund.

23 The increases granted under items (1), (2) and (3) of  
24 this subsection (1) shall not be limited by any other Section  
25 of this Act.

26 (m) Beginning on January 1, 2005, the minimum amount of  
27 employee's annuity shall be \$1,050 per month for life for the  
28 following classes of employees, without regard to the fact  
29 that withdrawal occurred prior to the effective date of this  
30 amendatory Act of the 93rd General Assembly:

31 (1) any employee annuitant alive and receiving a  
32 life annuity on the effective date of this amendatory Act  
33 of the 93rd General Assembly, except a reciprocal  
34 annuity;

1           (2) any employee annuitant alive and receiving a  
 2 term annuity on the effective date of this amendatory Act  
 3 of the 93rd General Assembly, except a reciprocal  
 4 annuity;

5           (3) any employee annuitant alive and receiving a  
 6 reciprocal annuity on the effective date of this  
 7 amendatory Act of the 93rd General Assembly, whose  
 8 service in this fund is at least 5 years;

9           (4) any employee annuitant withdrawing after age 60  
 10 on or after the effective date of this amendatory Act of  
 11 the 93rd General Assembly, with at least 10 years of  
 12 service in this fund.

13           The increases granted under items (1), (2) and (3) of  
 14 this subsection (m) shall not be limited by any other Section  
 15 of this Act.

16 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
 17 revised 9-11-02.)

18           (40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)  
 19           Sec. 8-150.1. Minimum annuities for widows. The widow  
 20 (otherwise eligible for widow's annuity under other Sections  
 21 of this Article 8) of an employee hereinafter described, who  
 22 retires from service or dies while in the service subsequent  
 23 to the effective date of this amendatory provision, and for  
 24 which widow the amount of widow's annuity and widow's prior  
 25 service annuity combined, fixed or provided for such widow  
 26 under other provisions of this Article is less than the  
 27 amount provided in this Section, shall, from and after the  
 28 date her otherwise provided annuity would begin, in lieu of  
 29 such otherwise provided widow's and widow's prior service  
 30 annuity, be entitled to the following indicated amount of  
 31 annuity:

32           (a) The widow of any employee who dies while in service  
 33 on or after the date on which he attains age 60 if the death

1 occurs before July 1, 1990, or on or after the date on which  
2 he attains age 55 if the death occurs on or after July 1,  
3 1990, with at least 20 years of service, or on or after the  
4 date on which he attains age 50 if the death occurs on or  
5 after the effective date of this amendatory Act of 1997 with  
6 at least 30 years of service, shall be entitled to an annuity  
7 equal to one-half of the amount of annuity which her deceased  
8 husband would have been entitled to receive had he withdrawn  
9 from the service on the day immediately preceding the date of  
10 his death, conditional upon such widow having attained the  
11 age of 60 or more years on such date if the death occurs  
12 before July 1, 1990, or age 55 or more if the death occurs on  
13 or after July 1, 1990, or age 50 or more if the death occurs  
14 on or after January 1, 1998 and the employee is age 50 or  
15 over with at least 30 years of service or age 55 or over with  
16 at least 25 years of service. Except as provided in  
17 subsection (k), this widow's annuity shall not, however,  
18 exceed the sum of \$500 a month if the employee's death in  
19 service occurs before January 23, 1987. The widow's annuity  
20 shall not be limited to a maximum dollar amount if the  
21 employee's death in service occurs on or after January 23,  
22 1987.

23 If the employee dies in service before July 1, 1990, and  
24 if such widow of such described employee shall not be 60 or  
25 more years of age on such date of death, the amount provided  
26 in the immediately preceding paragraph for a widow 60 or more  
27 years of age, shall, in the case of such younger widow, be  
28 reduced by 0.25% for each month that her then attained age is  
29 less than 60 years if the employee was born before January 1,  
30 1936 or dies in service on or after January 1, 1988, or by  
31 0.5% for each month that her then attained age is less than  
32 60 years if the employee was born on or after July 1, 1936  
33 and dies in service before January 1, 1988.

34 If the employee dies in service on or after July 1, 1990,

1 and if the widow of the employee has not attained age 55 on  
2 or before the employee's date of death, the amount otherwise  
3 provided in this subsection (a) shall be reduced by 0.25% for  
4 each month that her then attained age is less than 55 years;  
5 except that if the employee dies in service on or after  
6 January 1, 1998 at age 50 or over with at least 30 years of  
7 service or at age 55 or over with at least 25 years of  
8 service, there shall be no reduction due to the widow's age  
9 if she has attained age 50 on or before the employee's date  
10 of death, and if the widow has not attained age 50 on or  
11 before the employee's date of death the amount otherwise  
12 provided in this subsection (a) shall be reduced by 0.25% for  
13 each month that her then attained age is less than 50 years.

14 (b) The widow of any employee who dies subsequent to the  
15 date of his retirement on annuity, and who so retired on or  
16 after the date on which he attained the age of 60 or more  
17 years if retirement occurs before July 1, 1990, or on or  
18 after the date on which he attained age 55 if retirement  
19 occurs on or after July 1, 1990, with at least 20 years of  
20 service, or on or after the date on which he attained age 50  
21 if the retirement occurs on or after the effective date of  
22 this amendatory Act of 1997 with at least 30 years of  
23 service, shall be entitled to an annuity equal to one-half of  
24 the amount of annuity which her deceased husband received as  
25 of the date of his retirement on annuity, conditional upon  
26 such widow having attained the age of 60 or more years on the  
27 date of her husband's retirement on annuity if retirement  
28 occurs before July 1, 1990, or age 55 or more if retirement  
29 occurs on or after July 1, 1990, or age 50 or more if the  
30 retirement on annuity occurs on or after January 1, 1998 and  
31 the employee is age 50 or over with at least 30 years of  
32 service or age 55 or over with at least 25 years of service.  
33 Except as provided in subsection (k), this widow's annuity  
34 shall not, however, exceed the sum of \$500 a month if the

1 employee's death occurs before January 23, 1987. The widow's  
2 annuity shall not be limited to a maximum dollar amount if  
3 the employee's death occurs on or after January 23, 1987,  
4 regardless of the date of retirement; provided that, if  
5 retirement was before January 23, 1987, the employee or  
6 eligible spouse repays the excess spouse refund with interest  
7 at the effective rate from the date of refund to the date of  
8 repayment.

9 If the date of the employee's retirement on annuity is  
10 before July 1, 1990, and if such widow of such described  
11 employee shall not have attained such age of 60 or more years  
12 on such date of her husband's retirement on annuity, the  
13 amount provided in the immediately preceding paragraph for a  
14 widow 60 or more years of age on the date of her husband's  
15 retirement on annuity, shall, in the case of such then  
16 younger widow, be reduced by 0.25% for each month that her  
17 then attained age was less than 60 years if the employee was  
18 born before January 1, 1936 or withdraws from service on or  
19 after January 1, 1988, or by 0.5% for each month that her  
20 then attained age is less than 60 years if the employee was  
21 born on or after January 1, 1936 and withdraws from service  
22 before January 1, 1988.

23 If the date of the employee's retirement on annuity is on  
24 or after July 1, 1990, and if the widow of the employee has  
25 not attained age 55 by the date of the employee's retirement  
26 on annuity, the amount otherwise provided in this subsection  
27 (b) shall be reduced by 0.25% for each month that her then  
28 attained age is less than 55 years; except that if the  
29 employee retires on annuity on or after January 1, 1998 at  
30 age 50 or over with at least 30 years of service or at age 55  
31 or over with at least 25 years of service, there shall be no  
32 reduction due to the widow's age if she has attained age 50  
33 on or before the employee's date of death, and if the widow  
34 has not attained age 50 on or before the employee's date of

1 death the amount otherwise provided in this subsection (b)  
2 shall be reduced by 0.25% for each month that her then  
3 attained age is less than 50 years.

4 (c) The foregoing provisions relating to minimum  
5 annuities for widows shall not apply to the widow of any  
6 former municipal employee receiving an annuity from the fund  
7 on August 9, 1965 or on the effective date of this amendatory  
8 provision, who re-enters service as a municipal employee,  
9 unless such employee renders at least 3 years of additional  
10 service after the date of re-entry.

11 (d) In computing the amount of annuity which the husband  
12 specified in the foregoing paragraphs (a) and (b) of this  
13 Section would have been entitled to receive, or received,  
14 such amount shall be the annuity to which such husband would  
15 have been, or was entitled, before reduction in the amount of  
16 his annuity for the purposes of the voluntary optional  
17 reversionary annuity provided for in Section 8-139 of this  
18 Article, if such option was elected.

19 (e) (Blank).

20 (f) (Blank).

21 (g) The amendatory provisions of this amendatory Act of  
22 1985 relating to annuity discount because of age for widows  
23 of employees born before January 1, 1936, shall apply only to  
24 qualifying widows of employees withdrawing or dying in  
25 service on or after July 18, 1985.

26 (h) Beginning on January 1, 1999, the minimum amount of  
27 widow's annuity shall be \$800 per month for life for the  
28 following classes of widows, without regard to the fact that  
29 the death of the employee occurred prior to the effective  
30 date of this amendatory Act of 1998:

31 (1) any widow annuitant alive and receiving a life  
32 annuity on the effective date of this amendatory Act of  
33 1998, except a reciprocal annuity;

34 (2) any widow annuitant alive and receiving a term

1 annuity on the effective date of this amendatory Act of  
2 1998, except a reciprocal annuity;

3 (3) any widow annuitant alive and receiving a  
4 reciprocal annuity on the effective date of this  
5 amendatory Act of 1998, whose employee spouse's service  
6 in this fund was at least 5 years;

7 (4) the widow of an employee with at least 10 years  
8 of service in this fund who dies after retirement, if the  
9 retirement occurred prior to the effective date of this  
10 amendatory Act of 1998;

11 (5) the widow of an employee with at least 10 years  
12 of service in this fund who dies after retirement, if  
13 withdrawal occurs on or after the effective date of this  
14 amendatory Act of 1998;

15 (6) the widow of an employee who dies in service  
16 with at least 5 years of service in this fund, if the  
17 death in service occurs on or after the effective date of  
18 this amendatory Act of 1998.

19 The increases granted under items (1), (2), (3) and (4)  
20 of this subsection (h) shall not be limited by any other  
21 Section of this Act.

22 (h-5) Beginning on January 1, 2004, the minimum amount  
23 of widow's annuity shall be \$900 per month for life for the  
24 following classes of widows, without regard to the fact that  
25 the death of the employee occurred prior to the effective  
26 date of this amendatory Act of the 93rd General Assembly:

27 (1) any widow annuitant alive and receiving a life  
28 annuity on the effective date of this amendatory Act of  
29 the 93rd General Assembly, except a reciprocal annuity;

30 (2) any widow annuitant alive and receiving a term  
31 annuity on the effective date of this amendatory Act of  
32 the 93rd General Assembly, except a reciprocal annuity;

33 (3) any widow annuitant alive and receiving a  
34 reciprocal annuity on the effective date of this

1 amendatory Act of the 93rd General Assembly, whose  
2 employee spouse's service in this fund was at least 5  
3 years;

4 (4) the widow of an employee with at least 10 years  
5 of service in this fund who dies after retirement, if the  
6 retirement occurred prior to the effective date of this  
7 amendatory Act of the 93rd General Assembly;

8 (5) the widow of an employee with at least 10 years  
9 of service in this fund who dies after retirement, if  
10 withdrawal occurs on or after the effective date of this  
11 amendatory Act of the 93rd General Assembly;

12 (6) the widow of an employee who dies in service  
13 with at least 5 years of service in this fund, if the  
14 death in service occurs on or after the effective date of  
15 this amendatory Act of the 93rd General Assembly.

16 The increases granted under items (1), (2), (3) and (4)  
17 of this subsection (h-5) shall not be limited by any other  
18 Section of this Act.

19 (h-10) Beginning on January 1, 2005, the minimum amount  
20 of widow's annuity shall be \$1,000 per month for life for the  
21 following classes of widows, without regard to the fact that  
22 the death of the employee occurred prior to the effective  
23 date of this amendatory Act of the 93rd General Assembly:

24 (1) any widow annuitant alive and receiving a life  
25 annuity on the effective date of this amendatory Act of  
26 the 93rd General Assembly, except a reciprocal annuity;

27 (2) any widow annuitant alive and receiving a term  
28 annuity on the effective date of this amendatory Act of  
29 the 93rd General Assembly, except a reciprocal annuity;

30 (3) any widow annuitant alive and receiving a  
31 reciprocal annuity on the effective date of this  
32 amendatory Act of the 93rd General Assembly, whose  
33 employee spouse's service in this fund was at least 5  
34 years;

1           (4) the widow of an employee with at least 10 years  
2           of service in this fund who dies after retirement, if the  
3           retirement occurred prior to the effective date of this  
4           amendatory Act of the 93rd General Assembly;

5           (5) the widow of an employee with at least 10 years  
6           of service in this fund who dies after retirement, if  
7           withdrawal occurs on or after the effective date of this  
8           amendatory Act of the 93rd General Assembly;

9           (6) the widow of an employee who dies in service  
10           with at least 5 years of service in this fund, if the  
11           death in service occurs on or after the effective date of  
12           this amendatory Act of the 93rd General Assembly.

13           The increases granted under items (1), (2), (3) and (4)  
14           of this subsection (h-10) shall not be limited by any other  
15           Section of this Act.

16           (i) The widow of an employee who retired or died in  
17 service on or after January 1, 1985 and before July 1, 1990,  
18 at age 55 or older, and with at least 35 years of service  
19 credit, shall be entitled to have her widow's annuity  
20 increased, effective January 1, 1991, to an amount equal to  
21 50% of the retirement annuity that the deceased employee  
22 received on the date of retirement, or would have been  
23 eligible to receive if he had retired on the day preceding  
24 the date of his death in service, provided that if the widow  
25 had not attained age 60 by the date of the employee's  
26 retirement or death in service, the amount of the annuity  
27 shall be reduced by 0.25% for each month that her then  
28 attained age was less than age 60 if the employee's  
29 retirement or death in service occurred on or after January  
30 1, 1988, or by 0.5% for each month that her attained age is  
31 less than age 60 if the employee's retirement or death in  
32 service occurred prior to January 1, 1988. However, in cases  
33 where a refund of excess contributions for widow's annuity  
34 has been paid by the Fund, the increase in benefit provided

1 by this subsection (i) shall be contingent upon repayment of  
2 the refund to the Fund with interest at the effective rate  
3 from the date of refund to the date of payment.

4 (j) If a deceased employee is receiving a retirement  
5 annuity at the time of death and that death occurs on or  
6 after June 27, 1997, the widow may elect to receive, in lieu  
7 of any other annuity provided under this Article, 50% of the  
8 deceased employee's retirement annuity at the time of death  
9 reduced by 0.25% for each month that the widow's age on the  
10 date of death is less than 55; except that if the employee  
11 dies on or after January 1, 1998 and withdrew from service on  
12 or after June 27, 1997 at age 50 or over with at least 30  
13 years of service or at age 55 or over with at least 25 years  
14 of service, there shall be no reduction due to the widow's  
15 age if she has attained age 50 on or before the employee's  
16 date of death, and if the widow has not attained age 50 on or  
17 before the employee's date of death the amount otherwise  
18 provided in this subsection (j) shall be reduced by 0.25% for  
19 each month that her age on the date of death is less than 50  
20 years. However, in cases where a refund of excess  
21 contributions for widow's annuity has been paid by the Fund,  
22 the benefit provided by this subsection (j) is contingent  
23 upon repayment of the refund to the Fund with interest at the  
24 effective rate from the date of refund to the date of  
25 payment.

26 (k) For widows of employees who died before January 23,  
27 1987 after retirement on annuity or in service, the maximum  
28 dollar amount limitation on widow's annuity shall cease to  
29 apply, beginning with the first annuity payment after the  
30 effective date of this amendatory Act of 1997; except that if  
31 a refund of excess contributions for widow's annuity has been  
32 paid by the Fund, the increase resulting from this subsection  
33 (k) shall not begin before the refund has been repaid to the  
34 Fund, together with interest at the effective rate from the

1 date of the refund to the date of repayment.

2 (1) In lieu of any other annuity provided in this  
3 Article, an eligible spouse of an employee who dies in  
4 service at least 60 days after the effective date of this  
5 amendatory Act of the 92nd General Assembly with at least 10  
6 years of service shall be entitled to an annuity of 50% of  
7 the minimum formula annuity earned and accrued to the credit  
8 of the employee at the date of death. For the purposes of  
9 this subsection, the minimum formula annuity earned and  
10 accrued to the credit of the employee is equal to 2.40% for  
11 each year of service of the highest average annual salary for  
12 any 4 consecutive years within the last 10 years of service  
13 immediately preceding the date of death, up to a maximum of  
14 80% of the highest average annual salary. This annuity shall  
15 not be reduced due to the age of the employee or spouse. In  
16 addition to any other eligibility requirements under this  
17 Article, the spouse is eligible for this annuity only if the  
18 marriage was in effect for 10 full years or more.

19 (Source: P.A. 92-599, eff. 6-28-02.)

20 (40 ILCS 5/8-150.2 new)

21 Sec. 8-150.2. Automatic annual increase in widow's  
22 annuity.

23 (a) Every widow's annuity, other than an annuity  
24 excluded under subsection (c), shall be increased by 3% on  
25 the latest of (1) January 1, 2004, (2) the January 1  
26 immediately following the deceased employee's date of death,  
27 or (3) the January 1 occurring on or next after the date the  
28 deceased employee actually received, or the earliest date  
29 upon which the deceased employee would have been eligible to  
30 receive, his or her first increase in annuity under Section  
31 8-137 or 8-137.1.

32 On each January 1 after the date of the initial increase  
33 under this Section, the widow's annuity shall be increased by

1 an amount equal to 3% of the amount of widow's annuity  
2 otherwise payable at the time of the increase, including any  
3 increases previously granted under this Article.

4 (b) Limitations on the maximum amount of widow's annuity  
5 imposed under Section 8-154 do not apply to the annual  
6 increases under this Section.

7 (c) The increases under this Section do not apply to  
8 reversionary annuities under Section 8-139 or term annuities  
9 under Section 8-157. The increases provided under this  
10 Section do, however, apply to compensation and supplemental  
11 annuities under Section 8-151.

12 (40 ILCS 5/8-164.1) (from Ch. 108 1/2, par. 8-164.1)  
13 Sec. 8-164.1. Payments to city Group-health-benefit.

14 (a) For the purposes of this Section, "city annuitant"  
15 means a person receiving an age and service annuity, a  
16 widow's annuity, a child's annuity, or a minimum annuity  
17 under this Article as a direct result of previous employment  
18 by the City of Chicago ("the city").

19 (b) The board shall pay to the city, on behalf of the  
20 board's city annuitants who participate in any of the city's  
21 health care plans, the following amounts:

22 (1) From July 1, 2003 through June 30, 2008, \$85  
23 per month for each such annuitant who is not eligible to  
24 receive Medicare benefits and \$55 per month for each such  
25 annuitant who is eligible to receive Medicare benefits.

26 (2) From July 1, 2008 through June 30, 2013, \$95  
27 per month for each such annuitant who is not eligible to  
28 receive Medicare benefits and \$65 per month for each such  
29 annuitant who is eligible to receive Medicare benefits.

30 The payments described in this subsection shall be paid  
31 from the tax levy authorized under Section 8-173; such  
32 amounts shall be credited to the reserve for group hospital  
33 care and group medical and surgical plan benefits, and all

1 payments to the city required under this subsection shall be  
2 charged against it.

3 (c) The city health care plans referred to in this  
4 Section and the board's payments to the city under this  
5 Section are not and shall not be construed to be pension or  
6 retirement benefits for the purposes of Section 5 of Article  
7 XIII of the Illinois Constitution of 1970.

8 (a) ~~For the purposes of this Section: (1) "annuitant"~~  
9 ~~means a person receiving an age and service annuity, a prior~~  
10 ~~service annuity, a widow's annuity, a widow's prior service~~  
11 ~~annuity, or a minimum annuity, under Article 5, 6, 8 or 11,~~  
12 ~~by reason of previous employment by the City of Chicago~~  
13 ~~(hereinafter, in this Section, "the city"); (2) "Medicare~~  
14 ~~Plan annuitant" means an annuitant described in item (1) who~~  
15 ~~is eligible for Medicare benefits; and (3) "non-Medicare Plan~~  
16 ~~annuitant" means an annuitant described in item (1) who is~~  
17 ~~not eligible for Medicare benefits.~~

18 (b) ~~The city shall offer group health benefits to~~  
19 ~~annuitants and their eligible dependents through June 30,~~  
20 ~~2003. The basic city health care plan available as of June~~  
21 ~~30, 1988 (hereinafter called the basic city plan) shall cease~~  
22 ~~to be a plan offered by the city, except as specified in~~  
23 ~~subparagraphs (4) and (5) below, and shall be closed to new~~  
24 ~~enrollment or transfer of coverage for any non-Medicare Plan~~  
25 ~~annuitant as of June 27, 1997. The city shall offer~~  
26 ~~non-Medicare Plan annuitants and their eligible dependents~~  
27 ~~the option of enrolling in its Annuitant Preferred Provider~~  
28 ~~Plan and may offer additional plans for any annuitant. The~~  
29 ~~city may amend, modify, or terminate any of its additional~~  
30 ~~plans at its sole discretion. If the city offers more than~~  
31 ~~one annuitant plan, the city shall allow annuitants to~~  
32 ~~convert coverage from one city annuitant plan to another,~~  
33 ~~except the basic city plan, during times designated by the~~  
34 ~~city, which periods of time shall occur at least annually.~~

1 For the period dating from June 27, 1997 through June 30,  
2 2003, monthly premium rates may be increased for annuitants  
3 during the time of their participation in non-Medicare plans,  
4 except as provided in subparagraphs (1) through (4) of this  
5 subsection.

6 (1) For non-Medicare Plan annuitants who retired  
7 prior to January 1, 1988, the annuitant's share of  
8 monthly premium for non-Medicare Plan coverage only shall  
9 not exceed the highest premium rate chargeable under any  
10 city non-Medicare Plan annuitant coverage as of December  
11 1, 1996.

12 (2) For non-Medicare Plan annuitants who retire on  
13 or after January 1, 1988, the annuitant's share of  
14 monthly premium for non-Medicare Plan coverage only shall  
15 be the rate in effect on December 1, 1996, with monthly  
16 premium increases to take effect no sooner than April 1,  
17 1998 at the lower of (i) the premium rate determined  
18 pursuant to subsection (g) or (ii) 10% of the immediately  
19 previous month's rate for similar coverage.

20 (3) In no event shall any non-Medicare Plan  
21 annuitant's share of monthly premium for non-Medicare  
22 Plan coverage exceed 10% of the annuitant's monthly  
23 annuity.

24 (4) Non-Medicare Plan annuitants who are enrolled  
25 in the basic city plan as of July 1, 1998 may remain in  
26 the basic city plan, if they so choose, on the condition  
27 that they are not entitled to the caps on rates set forth  
28 in subparagraphs (1) through (3), and their premium rate  
29 shall be the rate determined in accordance with  
30 subsections (e) and (g).

31 (5) Medicare Plan annuitants who are currently  
32 enrolled in the basic city plan for Medicare-eligible  
33 annuitants may remain in that plan, if they so choose,  
34 through June 30, 2003. Annuitants shall not be allowed

1 to--enroll--in--or--transfer--into--the--basic--city--plan--for  
 2 Medicare--eligible--annuitants--on--or--after--July--1,--1999.  
 3 The--city--shall--continue--to--offer--annuitants--a  
 4 supplemental--Medicare--Plan--for--Medicare--eligible  
 5 annuitants--through--June--30,--2003,--and--the--city--may--offer  
 6 additional--plans--to--Medicare--eligible--annuitants--in--its  
 7 sole--discretion. All--Medicare--Plan--annuitant--monthly  
 8 rates--shall--be--determined--in--accordance--with--subsections  
 9 (e)--and--(g).

10 (e)--The--city--shall--pay--50%--of--the--aggregated--costs--of  
 11 the--claims--or--premiums,--whichever--is--applicable,--as  
 12 determined--in--accordance--with--subsection--(g),--of--annuitants  
 13 and--their--dependents--under--all--health--care--plans--offered--by  
 14 the--city. The--city--may--reduce--its--obligation--by--application  
 15 of--price--reductions--obtained--as--a--result--of--financial  
 16 arrangements--with--providers--or--plan--administrators.

17 (d)--From--January--1,--1993--until--June--30,--2003,--the--board  
 18 shall--pay--to--the--city--on--behalf--of--each--of--the--board's  
 19 annuitants--who--chooses--to--participate--in--any--of--the--city's  
 20 plans--the--following--amounts:--up--to--a--maximum--of--\$75--per--month  
 21 for--each--such--annuitant--who--is--not--qualified--to--receive  
 22 medicare--benefits,--and--up--to--a--maximum--of--\$45--per--month--for  
 23 each--such--annuitant--who--is--qualified--to--receive--medicare  
 24 benefits.

25 Commencing--on--August--23,--1989,--the--board--is--authorized--to  
 26 pay--to--the--board--of--education--on--behalf--of--each--person--who  
 27 chooses--to--participate--in--the--board--of--education's--plan--the  
 28 amounts--specified--in--this--subsection--(d)--during--the--years  
 29 indicated. For--the--period--January--1,--1988--through--August--23,  
 30 1989,--the--board--shall--pay--to--the--board--of--education  
 31 annuitants--who--participate--in--the--board--of--education's--health  
 32 benefits--plan--for--annuitants--the--following--amounts:--\$10--per  
 33 month--to--each--annuitant--who--is--not--qualified--to--receive  
 34 medicare--benefits,--and--\$14--per--month--to--each--annuitant--who--is

1 qualified-to-receive-medicare-benefits.

2 The-payments-described-in-this-subsection-shall--be--paid  
3 from--the--tax--levy--authorized--under--Section--8-189;--such  
4 amounts-shall-be-credited-to-the-reserve-for--group--hospital  
5 care--and--group--medical-and-surgical-plan-benefits,--and-all  
6 payments-to-the-city-required-under-this-subsection-shall--be  
7 charged-against-it.

8 (e)--The-city's-obligations-under-subsections-(b)-and-(c)  
9 shall--terminate--on--June--30,--2003,--except-with-regard-to  
10 covered-expenses-incurred-but-not-paid-as-of-that-date.--This  
11 subsection-shall-not-affect-other--obligations--that--may--be  
12 imposed-by-law.

13 (f)--The--group--coverage-plans-described-in-this-Section  
14 are--not--and--shall--not--be--construed--to--be--pension--or  
15 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII  
16 of-the-Illinois-Constitution-of-1970.

17 (g)--For-each-annuitant-plan-offered--by--the--city,--the  
18 aggregate--cost--of-claims,--as-reflected-in-the-claim-records  
19 of-the-plan-administrator,--shall-be-estimated--by--the--city,  
20 based-upon-a-written-determination-by-a-qualified-independent  
21 actuary--to--be-appointed-and-paid-by-the-city-and-the-board.  
22 If-the-estimated-annual-cost-for-each-annuitant-plan--offered  
23 by--the--city--is--more--than--the--estimated--amount--to--be  
24 contributed-by-the-city-for-that-plan-pursuant-to-subsections  
25 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be  
26 paid--pursuant--to--subsection--(d)--and-by-the-other-pension  
27 boards-on--behalf--of--other--participating--annuitants,--the  
28 difference--shall--be-paid-by-all-annuitants-participating-in  
29 the-plan,--except-as-provided-in-subsection--(b).--The--city,  
30 based--upon--the--determination--of--the-independent-actuary,  
31 shall-set-the-monthly-amounts-to-be-paid-by-the-participating  
32 annuitants.--The-board-may-deduct-the-amounts-to-be-paid--by  
33 its--annuitants--from--the--participating-annuitants'-monthly  
34 annuities.

1 If it is determined from the city's annual audit, or from  
 2 audited experience data, that the total amount paid by all  
 3 participating annuitants was more or less than the difference  
 4 between (1) the cost of providing the group health care  
 5 plans, and (2) the sum of the amount to be paid by the city  
 6 as determined under subsection (c) and the amounts paid by  
 7 all the pension boards, then the independent actuary and the  
 8 city shall account for the excess or shortfall in the next  
 9 year's payments by annuitants, except as provided in  
 10 subsection (b).

11 (h) An annuitant may elect to terminate coverage in a  
 12 plan at the end of any month, which election shall terminate  
 13 the annuitant's obligation to contribute toward payment of  
 14 the excess described in subsection (g).

15 (i) The city shall advise the board of all proposed  
 16 premium increases for health care at least 75 days prior to  
 17 the effective date of the change, and any increase shall be  
 18 prospective only.

19 (Source: P.A. 92-599, eff. 6-28-02.)

20 (40 ILCS 5/8-164.2 new)

21 Sec. 8-164.2. Payments to board of education for group  
 22 health benefits.

23 (a) Should the Board of Education continue to sponsor a  
 24 retiree health plan, the board is authorized to pay to the  
 25 Board of Education, on behalf of each eligible annuitant who  
 26 chooses to participate in the Board of Education's retiree  
 27 health benefit plan, the following amounts:

28 (1) From July 1, 2003 through June 30, 2008, \$85  
 29 per month for each such annuitant who is not eligible to  
 30 receive Medicare benefits and \$55 per month for each such  
 31 annuitant who is eligible to receive Medicare benefits.

32 (2) From July 1, 2008 through June 30, 2013, \$95  
 33 per month for each such annuitant who is not eligible to

1 receive Medicare benefits and \$65 per month for each such  
2 annuitant who is eligible to receive Medicare benefits.

3 The payments described in this subsection shall be paid  
4 from the tax levy authorized under Section 8-173; such  
5 amounts shall be credited to the reserve for group hospital  
6 care and group medical and surgical plan benefits, and all  
7 payments to the Board of Education under this subsection  
8 shall be charged against it.

9 (b) The Board of Education health benefit plan referred  
10 to in this Section and the board's payments to the Board of  
11 Education under this Section are not and shall not be  
12 construed to be pension or retirement benefits for the  
13 purposes of Section 5 of Article XIII of the Illinois  
14 Constitution of 1970.

15 (40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

16 Sec. 8-167. Restoration of rights. An employee who has  
17 withdrawn as a refund the amounts credited for annuity  
18 purposes, and who (i) re-enters service of the employer and  
19 serves for periods comprising at least 90 days 2-years after  
20 the date of the last refund paid to him or (ii) has completed  
21 at least 2 years of service under a participating system (as  
22 defined in the Retirement Systems Reciprocal Act) other than  
23 this Fund after the date of the last refund, shall have his  
24 annuity rights restored by compliance with the following  
25 provisions:

26 (a) After such 90 day or 2 year period, whichever  
27 applies, he shall repay in full to the Fund, while in  
28 service, ~~in-full~~ all refunds received, together with  
29 interest at the effective rate from the dates of refund  
30 to the date of repayment. ~~;-or~~

31 (b) If payment is not made in a single sum, the  
32 repayment may be made in installments by deductions from  
33 salary or otherwise in such amounts and manner as the

1 board, by rule, may prescribe, with interest at the  
2 effective rate accruing on unpaid balances, ~~or~~

3 (c) If the employee withdraws from service or dies  
4 in service before full repayment is made, service credit  
5 shall be restored in accordance with Section 8-230.3(b).  
6 ~~such rights shall not be restored, but the amount,~~  
7 ~~including interest, repaid by him, but without any~~  
8 ~~further interest otherwise normally credited, shall be~~  
9 ~~refunded to him or to his widow, or in the manner~~  
10 ~~provided by the refund provisions of this Article if no~~  
11 ~~widow survives.~~

12 (d) If the employee repays the refund while  
13 participating in a participating system (as defined in  
14 the Retirement Systems Reciprocal Act) other than this  
15 Fund, the service credit restored must be used for a  
16 proportional annuity calculated in accordance with the  
17 Retirement Systems Reciprocal Act. If not so used, the  
18 restored service credit shall be forfeited and the amount  
19 of the repayment shall be refunded, without interest.

20 This Section applies also to any person who received a  
21 refund from any annuity and benefit fund or pension fund  
22 which was merged into and superseded by the annuity and  
23 benefit fund provided for in this Article on or after  
24 December 31, 1959. Upon repayment such person shall receive  
25 credit for all annuity purposes in the annuity and benefit  
26 fund provided for in this Article for the period of service  
27 covered by the repayment ~~such refund.~~

28 The amount of refund repayment is considered as salary  
29 deductions for age and service annuity and widow's annuity  
30 purposes in the case of a male person. In the latter case  
31 the amount of refund repayment is allocated in the applicable  
32 proportion for age and service and widow's annuity purposes.  
33 Such person shall also be credited with city contributions  
34 for age and service annuity, and widow's annuity if a male

1 employee, in the amount which would have been credited and  
2 accrued if such person had been a participant in and  
3 contributor to the annuity and benefit fund provided for in  
4 this Article during the period of such service on the basis  
5 of his salary during such period.

6 (Source: P.A. 81-1536.)

7 (40 ILCS 5/8-174.1) (from Ch. 108 1/2, par. 8-174.1)

8 Sec. 8-174.1. Employer contributions on behalf of  
9 employees.

10 (a) The employer may make and may incur an obligation to  
11 make contributions on behalf of its employees in an amount  
12 not to exceed the employee contributions required by Sections  
13 8-137, 8-161, 8-174, 8-182 and 8-182.1 for all salary earned  
14 after December 31, 1981. If such employee contributions are  
15 not made or an obligation to make such contributions is not  
16 incurred by the employer on behalf of its employees, the  
17 amount that could have been contributed shall continue to be  
18 deducted from salary. If employee contributions are made by  
19 the employer on behalf of its employees, they shall be  
20 treated as employer contributions in determining tax  
21 treatment under the United States Internal Revenue Code;  
22 however, each city shall continue to withhold federal and  
23 State income taxes based upon these contributions until the  
24 Internal Revenue Service or the Federal courts rule that  
25 pursuant to Section 414(h) of the United States Internal  
26 Revenue Code, these contributions shall not be included as  
27 gross income of the employee until such time as they are  
28 distributed or made available. The employer may make these  
29 contributions on behalf of its employees by a reduction in  
30 the cash salary of the employee or by an offset against a  
31 future salary increase or by a combination of a reduction in  
32 salary and offset against a future salary increase. The  
33 employer shall pay these employee contributions from the same

1 source of funds used in paying salary to the employee or, if  
2 the employer is a Board of Education, it may also or  
3 alternatively pay such contributions in whole or in part from  
4 the proceeds of the pension contribution liability tax  
5 authorized by Section 34-60.1 of the School Code, as amended.  
6 If such a tax is levied with respect to any fiscal year of a  
7 Board of Education, that portion of the contributions to be  
8 paid by the Board of Education on behalf of its employees for  
9 that fiscal year from the proceeds of such a tax shall not be  
10 due and payable into the Fund until the collection, in the  
11 calendar year following the calendar year in which such levy  
12 was made, of the actual tax bills extending the second  
13 installment of real estate taxes for the Board of Education  
14 for that calendar year, pursuant to Section 21-30 of the  
15 Property Tax Code, and such Board of Education shall not be  
16 required to pay those contributions to be paid from the  
17 proceeds of such a tax into the Fund except as collected from  
18 the extension of the actual tax bills. If employee  
19 contributions are made by the employer on behalf of its  
20 employees, they shall be treated for all purposes of this  
21 Article 8, including Section 8-173, in the same manner and to  
22 the same extent as employee contributions made by employees  
23 and deducted from salary; provided, however, that  
24 contributions which are made by a Board of Education on  
25 behalf of its employees shall not be treated as a pension or  
26 retirement obligation of the Board of Education for purposes  
27 of Section 12 of "An Act in relation to State revenue sharing  
28 with local governmental entities", approved July 31, 1969, as  
29 amended. For purposes of Section 8-173, contributions made  
30 by a Board of Education on behalf of its employees shall be  
31 treated as contributions made by or on behalf of employees to  
32 the Fund for the fiscal year for which the Board of Education  
33 incurred the obligation to make such contributions.

34 (b) Subject to the requirements of federal law and the

1 rules of the Board, the Fund may allow the employee to elect  
2 to have the employer pick up the optional contributions that  
3 the employee has elected to pay to the Fund, and the  
4 contributions so picked up shall be treated as employer  
5 contributions for the purpose of determining federal tax  
6 treatment. The employer shall pick up the contributions by a  
7 reduction in the cash salary of the employee and shall pay  
8 contributions from the same source of funds that is used to  
9 pay earnings of the employee. The election to have the  
10 contributions picked up is irrevocable and the optional  
11 contributions may not thereafter be prepaid, by direct  
12 payment or otherwise.

13 If the provision authorizing the optional contribution  
14 requires payment by a stated date (rather than the date of  
15 withdrawal or retirement), the requirement will be deemed to  
16 have been satisfied if (i) on or before the stated date the  
17 employee executes a valid irrevocable election to have the  
18 contributions picked up under this subsection, and (ii) the  
19 picked-up contributions are in fact paid to the Fund as  
20 provided in the election.

21 If employee contributions are picked up under this  
22 subsection, they shall be treated for all purposes of this  
23 Article 8, including Section 8-173, in the same manner and to  
24 the same extent as optional employee contributions made prior  
25 to the date picked up.

26 (Source: P.A. 88-670, eff. 12-2-94.)

27 (40 ILCS 5/8-230.8 new)

28 Sec. 8-230.8. Credit for certain military service. In  
29 addition to any creditable service established under Section  
30 8-230, creditable service for annuity purposes only may be  
31 granted for service in the armed forces of the United States  
32 that was not immediately preceded by service with the  
33 employer. A member shall receive service credit for military

1 service under this Section, provided that all of the  
2 following conditions are met:

3 (1) The employee must be employed by the employer  
4 and contributing to the Fund for current service when he  
5 makes the payment for military service.

6 (2) The employee must have entered or re-entered  
7 the service of the employer within 2 years after his  
8 discharge.

9 (3) The discharge from military service must have  
10 been other than a dishonorable discharge.

11 (4) The employee must apply to the Fund in writing  
12 and provide evidence of the military service that is  
13 satisfactory to the Board.

14 (5) The employee must have paid for all unpaid  
15 service with the employer (refund repayment, payment for  
16 temporary service, or any other service with the  
17 employer) before payment may be made under this Section.

18 (6) The employee must have been in active duty  
19 military service; service in the military reserves is not  
20 eligible under this Section.

21 (7) The employee must not receive credit in any  
22 other pension plan for this period of military service.

23 (8) The employee must contribute to the Fund an  
24 amount representing employee contributions. The required  
25 contribution shall be calculated by the Fund, based on  
26 the contribution rates in effect during the period of  
27 military service and the employee's salary rate on the  
28 first day of service in the Fund following the military  
29 service, and shall include interest at the effective rate  
30 from the employee's first day of service in the Fund  
31 following the military service to the date of payment.  
32 The employee must pay the required contribution in full  
33 before withdrawal or death in service. If the employee  
34 withdraws or dies in service before full payment is made,

1 the amount paid by him shall be refunded.

2 (9) The amount of military service credit  
3 established by an employee under this Section, when added  
4 to his credit for military service under Section 8-230,  
5 shall not exceed 5 years.

6 (40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)  
7 Sec. 9-185. Board created.

8 (a) A board of 10 members ~~9-members~~ shall constitute the  
9 board of trustees authorized to carry out the provisions of  
10 this Article. The board of trustees shall be known as "The  
11 Retirement Board of the County Employees' Annuity and Benefit  
12 Fund of .... County". The board shall consist of 3 ~~of--2~~  
13 members appointed and 7 members elected as hereinafter  
14 prescribed.

15 (b) The appointed members shall be appointed as follows:  
16 One member shall be appointed by the comptroller of such  
17 county, who may be the comptroller or some person chosen by  
18 him from among employees of the county, who are versed in the  
19 affairs of the comptroller's office; and one member shall be  
20 appointed by the treasurer of such county, who may be the  
21 treasurer or some person chosen by him from among employees  
22 of the County who are versed in the affairs of the  
23 treasurer's office.

24 The member appointed by the comptroller shall hold office  
25 for a term ending on December 1st of the first year following  
26 the year of appointment. The member appointed by the county  
27 treasurer shall hold office for a term ending on December 1st  
28 of the second year following the year of appointment.

29 Thereafter, each appointed member shall be appointed by  
30 the officer that appointed his predecessor for a term of 2  
31 years.

32 (b-5) One member shall be appointed by the chief  
33 financial officer of the forest preserve district of the

1 county, who may be the chief financial officer or some person  
2 chosen by the chief financial officer from among the  
3 employees of the forest preserve district who are versed in  
4 the affairs of the finance office. The initial member  
5 appointed by the chief financial officer of the forest  
6 preserve district shall hold office for a term ending on  
7 December 1st of the first year following the year of  
8 appointment. Thereafter, the member appointed by the chief  
9 financial officer of the forest preserve district shall hold  
10 office for a term of 2 years.

11 (c) Three county employee members of the board shall be  
12 elected as follows: within 30 days from and after the date  
13 upon which this Article comes into effect in the county, the  
14 clerk of the county shall arrange for and hold an election.  
15 One employee shall be elected for a term ending on the first  
16 day in the month of December of the first year next following  
17 the effective date; one for a term ending on December 1st of  
18 the following year; and one for a term ending December 1st of  
19 the second following year.

20 (d) Beginning December 1, 1988, and every 3 years  
21 thereafter, an annuitant member of the board shall be elected  
22 as follows: the board shall arrange for and hold an election  
23 in which only those participants who are currently receiving  
24 retirement benefits under this Article shall be eligible to  
25 vote and be elected. Each such member shall be elected to a  
26 term ending on the first day in the month of December of the  
27 third following year.

28 (d-1) Beginning December 1, 2001, and every 3 years  
29 thereafter, an annuitant member of the board shall be elected  
30 as follows: the board shall arrange for and hold an election  
31 in which only those participants who are currently receiving  
32 retirement benefits under this Article shall be eligible to  
33 vote and be elected. Each such member shall be elected to a  
34 term ending on the first day in the month of December of the

1 third following year. Until December 1, 2001, the position  
2 created under this subsection (d-1) may be filled by the  
3 board as in the case of a vacancy.

4 (e) Beginning December 1, 1988, if a Forest Preserve  
5 District Employees' Annuity and Benefit Fund shall be in  
6 force in such county and the board of this fund is charged  
7 with administering the affairs of such annuity and benefit  
8 fund for employees of such forest preserve district, a forest  
9 preserve district member of the board shall be elected as of  
10 December 1, 1988, and every 3 years thereafter as follows:  
11 the board shall arrange for and hold an election in which  
12 only those employees of such forest preserve district who are  
13 contributors to the annuity and benefit fund for employees of  
14 such forest preserve district shall be eligible to vote and  
15 be elected. Each such member shall be elected to a term  
16 ending on the first day in the month of December of the third  
17 following year.

18 (f) Beginning December 1, 2001, and every 3 years  
19 thereafter, if a Forest Preserve District Employees' Annuity  
20 and Benefit Fund is in force in the county and the board of  
21 this Fund is charged with administering the affairs of that  
22 annuity and benefit fund for employees of the forest preserve  
23 district, a forest preserve district annuitant member of the  
24 board shall be elected as follows: the board shall arrange  
25 for and hold an election in which only those participants who  
26 are currently receiving retirement benefits under Article 10  
27 shall be eligible to vote and be elected. Each such member  
28 shall be elected to a term ending on the first day in the  
29 month of December of the third following year. Until  
30 December 1, 2001, the position created under this subsection  
31 (f) may be filled by the board as in the case of a vacancy.

32 (Source: P.A. 92-66, eff. 7-12-01.)

33 (40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)

1           Sec. 11-134. Minimum annuities.

2           (a) An employee whose withdrawal occurs after July 1,  
3 1957 at age 60 or over, with 20 or more years of service, (as  
4 service is defined or computed in Section 11-216), for whom  
5 the age and service and prior service annuity combined is  
6 less than the amount stated in this Section, shall, from and  
7 after the date of withdrawal, in lieu of all annuities  
8 otherwise provided in this Article, be entitled to receive an  
9 annuity for life of an amount equal to 1 2/3% for each year  
10 of service, of the highest average annual salary for any 5  
11 consecutive years within the last 10 years of service  
12 immediately preceding the date of withdrawal; provided, that  
13 in the case of any employee who withdraws on or after July 1,  
14 1971, such employee age 60 or over with 20 or more years of  
15 service, shall be entitled to instead receive an annuity for  
16 life equal to 1.67% for each of the first 10 years of  
17 service; 1.90% for each of the next 10 years of service;  
18 2.10% for each year of service in excess of 20 but not  
19 exceeding 30; and 2.30% for each year of service in excess of  
20 30, based on the highest average annual salary for any 4  
21 consecutive years within the last 10 years of service  
22 immediately preceding the date of withdrawal.

23           An employee who withdraws after July 1, 1957 and before  
24 January 1, 1988, with 20 or more years of service, before age  
25 60, shall be entitled to an annuity, to begin not earlier  
26 than age 55, if under such age at withdrawal, as computed in  
27 the last preceding paragraph, reduced 0.25% if the employee  
28 was born before January 1, 1936, or 0.5% if the employee was  
29 born on or after January 1, 1936, for each full month or  
30 fractional part thereof that his attained age when such  
31 annuity is to begin is less than 60.

32           Any employee born before January 1, 1936 who withdraws  
33 with 20 or more years of service, and any employee with 20 or  
34 more years of service who withdraws on or after January 1,

1 1988, may elect to receive, in lieu of any other employee  
2 annuity provided in this Section, an annuity for life equal  
3 to 1.80% for each of the first 10 years of service, 2.00% for  
4 each of the next 10 years of service, 2.20% for each year of  
5 service in excess of 20, but not exceeding 30, and 2.40% for  
6 each year of service in excess of 30, of the highest average  
7 annual salary for any 4 consecutive years within the last 10  
8 years of service immediately preceding the date of  
9 withdrawal, to begin not earlier than upon attained age of 55  
10 years, if under such age at withdrawal, reduced 0.25% for  
11 each full month or fractional part thereof that his attained  
12 age when annuity is to begin is less than 60; except that an  
13 employee retiring on or after January 1, 1988, at age 55 or  
14 over but less than age 60, having at least 35 years of  
15 service, or an employee retiring on or after July 1, 1990, at  
16 age 55 or over but less than age 60, having at least 30 years  
17 of service, or an employee retiring on or after the effective  
18 date of this amendatory Act of 1997, at age 55 or over but  
19 less than age 60, having at least 25 years of service, shall  
20 not be subject to the reduction in retirement annuity because  
21 of retirement below age 60.

22 However, in the case of an employee who retired on or  
23 after January 1, 1985 but before January 1, 1988, at age 55  
24 or older and with at least 35 years of service, and who was  
25 subject under this subsection (a) to the reduction in  
26 retirement annuity because of retirement below age 60, that  
27 reduction shall cease to be effective January 1, 1991, and  
28 the retirement annuity shall be recalculated accordingly.

29 Any employee who withdraws on or after July 1, 1990, with  
30 20 or more years of service, may elect to receive, in lieu of  
31 any other employee annuity provided in this Section, an  
32 annuity for life equal to 2.20% for each year of service if  
33 withdrawal is before January 1, 2002, 60--days--after--the  
34 effective--date--of--this--amendatory-Act-of-the-92nd-General

1 Assembly, or 2.40% for each year of service if withdrawal is  
2 on or after January 1, 2002, ~~60-days-after-the-effective-date~~  
3 ~~of-this-amendatory-Act-of-the-92nd-General-Assembly-or-later,~~  
4 of the highest average annual salary for any 4 consecutive  
5 years within the last 10 years of service immediately  
6 preceding the date of withdrawal, to begin not earlier than  
7 upon attained age of 55 years, if under such age at  
8 withdrawal, reduced 0.25% for each full month or fractional  
9 part thereof that his attained age when annuity is to begin  
10 is less than 60; except that an employee retiring at age 55  
11 or over but less than age 60, having at least 30 years of  
12 service, shall not be subject to the reduction in retirement  
13 annuity because of retirement below age 60.

14 Any employee who withdraws on or after the effective date  
15 of this amendatory Act of 1997 with 20 or more years of  
16 service may elect to receive, in lieu of any other employee  
17 annuity provided in this Section, an annuity for life equal  
18 to 2.20% for each year of service if withdrawal is before  
19 January 1, 2002, ~~60-days-after-the--effective--date--of--this~~  
20 ~~amendatory--Act--of--the--92nd-General-Assembly,~~ or 2.40% for  
21 each year of service if withdrawal is on or after January 1,  
22 2002, ~~60-days-after-the-effective-date-of-this-amendatory-Act~~  
23 ~~of-the-92nd-General-Assembly-or-later,~~ of the highest average  
24 annual salary for any 4 consecutive years within the last 10  
25 years of service immediately preceding the date of  
26 withdrawal, to begin not earlier than upon attainment of age  
27 55 (age 50 if the employee has at least 30 years of service),  
28 reduced 0.25% for each full month or remaining fractional  
29 part thereof that the employee's attained age when annuity is  
30 to begin is less than 60; except that an employee retiring at  
31 age 50 or over with at least 30 years of service or at age 55  
32 or over with at least 25 years of service shall not be  
33 subject to the reduction in retirement annuity because of  
34 retirement below age 60.

1           The maximum annuity payable under this paragraph (a) of  
2 this Section shall not exceed 70% of highest average annual  
3 salary in the case of an employee who withdraws prior to July  
4 1, 1971, 75% if withdrawal takes place on or after July 1,  
5 1971 and prior to January 1, 2002, ~~60--days--after--the~~  
6 ~~effective--date--of--this--amendatory-Act-of-the-92nd-General~~  
7 ~~Assembly,~~ or 80% if withdrawal is on or after January 1, 2002  
8 ~~60-days-after-the-effective-date-of-this--amendatory--Act--of~~  
9 ~~the--92nd--General-Assembly-or-later.~~ For the purpose of the  
10 minimum annuity provided in said paragraphs \$1,500 shall be  
11 considered the minimum annual salary for any year; and the  
12 maximum annual salary to be considered for the computation of  
13 such annuity shall be \$4,800 for any year prior to 1953,  
14 \$6,000 for the years 1953 to 1956, inclusive, and the actual  
15 annual salary, as salary is defined in this Article, for any  
16 year thereafter.

17           (b) For an employee receiving disability benefit, his  
18 salary for annuity purposes under this Section shall, for all  
19 periods of disability benefit subsequent to the year 1956, be  
20 the amount on which his disability benefit was based.

21           (c) An employee with 20 or more years of service, whose  
22 entire disability benefit credit period expires prior to  
23 attainment of age 55 while still disabled for service, shall  
24 be entitled upon withdrawal to the larger of (1) the minimum  
25 annuity provided above assuming that he is then age 55, and  
26 reducing such annuity to its actuarial equivalent at his  
27 attained age on such date, or (2) the annuity provided from  
28 his age and service and prior service annuity credits.

29           (d) The minimum annuity provisions as aforesaid shall  
30 not apply to any former employee receiving an annuity from  
31 the fund, and who re-enters service as an employee, unless he  
32 renders at least 3 years of additional service after the date  
33 of re-entry.

34           (e) An employee in service on July 1, 1947, or who

1 became a contributor after July 1, 1947 and prior to July 1,  
2 1950, or who shall become a contributor to the fund after  
3 July 1, 1950 prior to attainment of age 70, who withdraws  
4 after age 65 with less than 20 years of service, for whom the  
5 annuity has been fixed under the foregoing Sections of this  
6 Article shall, in lieu of the annuity so fixed, receive an  
7 annuity as follows:

8 Such amount as he could have received had the accumulated  
9 amounts for annuity been improved with interest at the  
10 effective rate to the date of his withdrawal, or to  
11 attainment of age 70, whichever is earlier, and had the city  
12 contributed to such earlier date for age and service annuity  
13 the amount that would have been contributed had he been under  
14 age 65, after the date his annuity was fixed in accordance  
15 with this Article, and assuming his annuity were computed  
16 from such accumulations as of his age on such earlier date.  
17 The annuity so computed shall not exceed the annuity which  
18 would be payable under the other provisions of this Section  
19 if the employee was credited with 20 years of service and  
20 would qualify for annuity thereunder.

21 (f) In lieu of the annuity provided in this or in any  
22 other Section of this Article, an employee having attained  
23 age 65 with at least 15 years of service who withdraws from  
24 service on or after July 1, 1971 and whose annuity computed  
25 under other provisions of this Article is less than the  
26 amount provided under this paragraph shall be entitled to  
27 receive a minimum annual annuity for life equal to 1% of the  
28 highest average annual salary for any 4 consecutive years  
29 within the last 10 years of service immediately preceding  
30 retirement for each year of his service plus the sum of \$25  
31 for each year of service. Such annual annuity shall not  
32 exceed the maximum percentages stated under paragraph (a) of  
33 this Section of such highest average annual salary.

34 (f-1) Instead of any other retirement annuity provided

1 in this Article, an employee who has at least 10 years of  
 2 service and withdraws from service on or after January 1,  
 3 1999 may elect to receive a retirement annuity for life,  
 4 beginning no earlier than upon attainment of age 60, equal to  
 5 2.2% if withdrawal is before January 1, 2002, ~~60-days-after~~  
 6 ~~the-effective-date-of-this-amendatory-Act-of-the-92nd-General~~  
 7 ~~Assembly~~ or 2.4% for each year of service if withdrawal is on  
 8 or after January 1, 2002, ~~60-days-after-the-effective-date-of~~  
 9 ~~this-amendatory-Act-of-the-92nd-General-Assembly-or-later,~~ of  
 10 final average salary for each year of service, subject to a  
 11 maximum of 75% of final average salary if withdrawal is  
 12 before January 1, 2002, ~~60-days-after-the-effective--date--of~~  
 13 ~~this--amendatory--Act-of-the-92nd-General-Assembly,~~ or 80% if  
 14 withdrawal is on or after January 1, 2002 ~~60-days--after--the~~  
 15 ~~effective--date--of--this--amendatory-Act-of-the-92nd-General~~  
 16 ~~Assembly-or-later.~~ For the purpose of calculating this  
 17 annuity, "final average salary" means the highest average  
 18 annual salary for any 4 consecutive years in the last 10  
 19 years of service.

20 (g) Any annuity payable under the preceding subsections  
 21 of this Section 11-134 shall be paid in equal monthly  
 22 installments.

23 (h) The amendatory provisions of part (a) and (f) of  
 24 this Section shall be effective July 1, 1971 and apply in the  
 25 case of every qualifying employee withdrawing on or after  
 26 July 1, 1971.

27 (h-1) The changes made to this Section by Public Act  
 28 92-609 ~~this-amendatory--Act--of--the--92nd--General--Assembly~~  
 29 (increasing the retirement formula to 2.4% per year of  
 30 service and increasing the maximum to 80%) apply to persons  
 31 who withdraw from service on or after January 1, 2002,  
 32 regardless of whether that withdrawal takes place before the  
 33 effective date of that ~~this-amendatory~~ Act. In the case of a  
 34 person who withdraws from service on or after January 1, 2002

1 but begins to receive a retirement annuity before July 1,  
2 2002 ~~the-effective-date-of-this-amendatory-Act~~, the annuity  
3 shall be recalculated, with the increase resulting from  
4 Public ~~this-amendatory~~ Act 92-609 accruing from the date the  
5 retirement annuity began. The changes made by Public Act  
6 92-609 control over the changes made by Public Act 92-599, as  
7 provided in Section 95 of P.A. 92-609.

8 (i) The amendatory provisions of this amendatory Act of  
9 1985 relating to the discount of annuity because of  
10 retirement prior to attainment of age 60 and increasing the  
11 retirement formula for those born before January 1, 1936,  
12 shall apply only to qualifying employees withdrawing on or  
13 after August 16, 1985.

14 (j) Beginning on January 1, 1999, the minimum amount of  
15 employee's annuity shall be \$850 per month for life for the  
16 following classes of employees, without regard to the fact  
17 that withdrawal occurred prior to the effective date of this  
18 amendatory Act of 1998:

19 (1) any employee annuitant alive and receiving a  
20 life annuity on the effective date of this amendatory Act  
21 of 1998, except a reciprocal annuity;

22 (2) any employee annuitant alive and receiving a  
23 term annuity on the effective date of this amendatory Act  
24 of 1998, except a reciprocal annuity;

25 (3) any employee annuitant alive and receiving a  
26 reciprocal annuity on the effective date of this  
27 amendatory Act of 1998, whose service in this fund is at  
28 least 5 years;

29 (4) any employee annuitant withdrawing after age 60  
30 on or after the effective date of this amendatory Act of  
31 1998, with at least 10 years of service in this fund.

32 The increases granted under items (1), (2) and (3) of  
33 this subsection (j) shall not be limited by any other Section  
34 of this Act.

1       (k) Beginning on January 1, 2004, the minimum amount of  
2 employee's annuity shall be \$950 per month for life for the  
3 following classes of employees, without regard to the fact  
4 that withdrawal occurred prior to the effective date of this  
5 amendatory Act of the 93rd General Assembly:

6           (1) any employee annuitant alive and receiving a  
7 life annuity on the effective date of this amendatory Act  
8 of the 93rd General Assembly, except a reciprocal  
9 annuity;

10          (2) any employee annuitant alive and receiving a  
11 term annuity on the effective date of this amendatory Act  
12 of 93rd General Assembly except a reciprocal annuity;

13          (3) any employee annuitant alive and receiving a  
14 reciprocal annuity on the effective date of this  
15 amendatory Act of the 93rd General Assembly, whose  
16 service in this fund is at least 5 years;

17          (4) any employee annuitant withdrawing after age 60  
18 on or after the effective date of this amendatory Act of  
19 the 93rd General Assembly, with at least 10 years of  
20 service in this fund.

21       The increases granted under items (1), (2) and (3) of  
22 this subsection (k) shall not be limited by any other Section  
23 of this Act.

24       (l) Beginning on January 1, 2005, the minimum amount of  
25 employee's annuity shall be \$1,050 per month for life for the  
26 following classes of employees, without regard to the fact  
27 that withdrawal occurred prior to the effective date of this  
28 amendatory Act of the 93rd General Assembly:

29           (1) any employee annuitant alive and receiving a  
30 life annuity on the effective date of this amendatory Act  
31 of the 93rd General Assembly, except a reciprocal  
32 annuity;

33          (2) any employee annuitant alive and receiving a  
34 term annuity on the effective date of this amendatory Act

1 of 93rd General Assembly except a reciprocal annuity;

2 (3) any employee annuitant alive and receiving a  
3 reciprocal annuity on the effective date of this  
4 amendatory Act of the 93rd General Assembly, whose  
5 service in this fund is at least 5 years;

6 (4) any employee annuitant withdrawing after age 60  
7 on or after the effective date of this amendatory Act of  
8 the 93rd General Assembly, with at least 10 years of  
9 service in this fund.

10 The increases granted under items (1), (2) and (3) of  
11 this subsection (1) shall not be limited by any other Section  
12 of this Act.

13 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
14 revised 9-11-02.)

15 (40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

16 Sec. 11-134.1. Automatic increase in annuity.

17 (a) An employee who retired or retires from service  
18 after December 31, 1963, and before January 1, 1987, having  
19 attained age 60 or more, shall, in the month of January of  
20 the year following the year in which the first anniversary of  
21 retirement occurs, have the amount of his then fixed and  
22 payable monthly annuity increased by 1 1/2%, and such first  
23 fixed annuity as granted at retirement increased by a further  
24 1 1/2% in January of each year thereafter. Beginning with  
25 January of the year 1972, such increases shall be at the rate  
26 of 2% in lieu of the aforesaid specified 1 1/2%. Beginning  
27 January, 1984, such increases shall be at the rate of 3%.  
28 Beginning in January of 1999, such increases shall be at the  
29 rate of 3% of the currently payable monthly annuity,  
30 including any increases previously granted under this  
31 Article. An employee who retires on annuity after December  
32 31, 1963 and before January 1, 1987, but prior to age 60,  
33 shall receive such increases beginning with January of the

1 year immediately following the year in which he attains the  
2 age of 60 years.

3 An employee who retires from service on or after January  
4 1, 1987 shall, upon the first annuity payment date following  
5 the first anniversary of the date of retirement, or upon the  
6 first annuity payment date following attainment of age 60,  
7 whichever occurs later, have his then fixed and payable  
8 monthly annuity increased by 3%, and such annuity shall be  
9 increased by an additional 3% of the original fixed annuity  
10 on the same date each year thereafter. Beginning in January  
11 of 1999, such increases shall be at the rate of 3% of the  
12 currently payable monthly annuity, including any increases  
13 previously granted under this Article.

14 (a-5) Notwithstanding the provisions of subsection (a),  
15 upon the first annuity payment date following (1) the third  
16 anniversary of retirement, (2) the attainment of age 53, or  
17 (3) January 1, 2002, ~~the date 60 days after the effective~~  
18 ~~date of this amendatory Act of the 92nd General Assembly,~~  
19 whichever occurs latest, the monthly annuity of an employee  
20 who retires on annuity prior to the attainment of age 60 and  
21 who has not received an increase under subsection (a) shall  
22 be increased by 3%, and the such annuity shall be increased  
23 by an additional 3% of the current payable monthly annuity,  
24 including any such increases previously granted under this  
25 Article, on the same date each year thereafter. The  
26 increases provided under this subsection are in lieu of the  
27 increases provided in subsection (a).

28 (a-6) Notwithstanding the provisions of subsections (a)  
29 and (a-5), for all calendar years following the year in which  
30 this amendatory Act of the 93rd General Assembly takes  
31 effect, an increase in annuity under this Section that would  
32 otherwise take effect at any time during the year shall  
33 instead take effect in January of that year.

34 (b) Subsections (a), and (a-5), and (a-6) are not

1 applicable to an employee retiring and receiving a term  
2 annuity, as defined in this Article, nor to any otherwise  
3 qualified employee who retires before he shall have made  
4 employee contributions (at the 1/2 of 1% rate as hereinafter  
5 provided) for the purposes of this additional annuity for not  
6 less than the equivalent of one full year. Such employee,  
7 however, shall make arrangement to pay to the fund a balance  
8 of such 1/2 of 1% contributions, based on his final salary,  
9 as will bring such 1/2 of 1% contributions, computed without  
10 interest, to the equivalent of or completion of one year's  
11 contributions.

12 Beginning with the month of January, 1964, each employee  
13 shall contribute by means of salary deductions 1/2 of 1% of  
14 each salary payment, concurrently with and in addition to the  
15 employee contributions otherwise made for annuity purposes.

16 Each such additional employee contribution shall be  
17 credited to an account in the prior service annuity reserve,  
18 to be used, together with city contributions, to defray the  
19 cost of the specified annuity increments. Any balance as of  
20 the beginning of each calendar year existing in such account  
21 shall be credited with interest at the rate of 3% per annum.

22 Such employee contributions shall not be subject to  
23 refund, except to an employee who resigns or is discharged  
24 and applies for refund under this Article, and also in cases  
25 where a term annuity becomes payable.

26 In such cases the employee contributions shall be  
27 refunded him, without interest, and charged to the  
28 aforementioned account in the prior service annuity reserve.

29 (Source: P.A. 92-599, eff. 6-28-02; 92-609, eff. 7-1-02;  
30 revised 8-26-02.)

31 (40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)  
32 Sec. 11-145.1. Minimum annuities for widows.

33 The widow otherwise eligible for widow's annuity under

1 other Sections of this Article 11, of an employee hereinafter  
2 described, who retires from service or dies while in the  
3 service subsequent to the effective date of this amendatory  
4 provision, and for which widow the amount of widow's annuity  
5 and widow's prior service annuity combined, fixed or provided  
6 for such widow under other provisions of said Article 11 is  
7 less than the amount hereinafter provided in this section,  
8 shall, from and after the date her otherwise provided annuity  
9 would begin, in lieu of such otherwise provided widow's and  
10 widow's prior service annuity, be entitled to the following  
11 indicated amount of annuity:

12 (a) The widow of any employee who dies while in service  
13 on or after the date on which he attains age 60 if the death  
14 occurs before July 1, 1990, or on or after the date on which  
15 he attains age 55 if the death occurs on or after July 1,  
16 1990, with at least 20 years of service, or on or after the  
17 date on which he attains age 50 if the death occurs on or  
18 after the effective date of this amendatory Act of 1997 with  
19 at least 30 years of service, shall be entitled to an annuity  
20 equal to one-half of the amount of annuity which her deceased  
21 husband would have been entitled to receive had he withdrawn  
22 from the service on the day immediately preceding the date of  
23 his death, conditional upon such widow having attained age 60  
24 on or before such date if the death occurs before July 1,  
25 1990, or age 55 if the death occurs on or after July 1, 1990,  
26 or age 50 if the death occurs on or after January 1, 1998 and  
27 the employee is age 50 or over with at least 30 years of  
28 service or age 55 or over with at least 25 years of service.  
29 Except as provided in subsection (j), the widow's annuity  
30 shall not, however, exceed the sum of \$500 a month if the  
31 employee's death in service occurs before January 23, 1987.  
32 The widow's annuity shall not be limited to a maximum dollar  
33 amount if the employee's death in service occurs on or after  
34 January 23, 1987.

1           If the employee dies in service before July 1, 1990, and  
2 if such widow of such described employee shall not be 60 or  
3 more years of age on such date of death, the amount provided  
4 in the immediately preceding paragraph for a widow 60 or more  
5 years of age, shall, in the case of such younger widow, be  
6 reduced by 0.25% for each month that her then attained age is  
7 less than 60 years if the employee was born before January 1,  
8 1936, or dies in service on or after January 1, 1988, or 0.5%  
9 for each month that her then attained age is less than 60  
10 years if the employee was born on or after January 1, 1936  
11 and dies in service before January 1, 1988.

12           If the employee dies in service on or after July 1, 1990,  
13 and if the widow of the employee has not attained age 55 on  
14 or before the employee's date of death, the amount otherwise  
15 provided in this subsection (a) shall be reduced by 0.25% for  
16 each month that her then attained age is less than 55 years;  
17 except that if the employee dies in service on or after  
18 January 1, 1998 at age 50 or over with at least 30 years of  
19 service or at age 55 or over with at least 25 years of  
20 service, there shall be no reduction due to the widow's age  
21 if she has attained age 50 on or before the employee's date  
22 of death, and if the widow has not attained age 50 on or  
23 before the employee's date of death the amount otherwise  
24 provided in this subsection (a) shall be reduced by 0.25% for  
25 each month that her then attained age is less than 50 years.

26           (b) The widow of any employee who dies subsequent to the  
27 date of his retirement on annuity, and who so retired on or  
28 after the date on which he attained age 60 if retirement  
29 occurs before July 1, 1990, or on or after the date on which  
30 he attained age 55 if retirement occurs on or after July 1,  
31 1990, with at least 20 years of service, or on or after the  
32 date on which he attained age 50 if the retirement occurs on  
33 or after the effective date of this amendatory Act of 1997  
34 with at least 30 years of service, shall be entitled to an

1 annuity equal to one-half of the amount of annuity which her  
2 deceased husband received as of the date of his retirement on  
3 annuity, conditional upon such widow having attained age 60  
4 on or before the date of her husband's retirement on annuity  
5 if retirement occurs before July 1, 1990, or age 55 if  
6 retirement occurs on or after July 1, 1990, or age 50 if the  
7 retirement on annuity occurs on or after January 1, 1998 and  
8 the employee is age 50 or over with at least 30 years of  
9 service or age 55 or over with at least 25 years of service.  
10 Except as provided in subsection (j), this widow's annuity  
11 shall not, however, exceed the sum of \$500 a month if the  
12 employee's death occurs before January 23, 1987. The widow's  
13 annuity shall not be limited to a maximum dollar amount if  
14 the employee's death occurs on or after January 23, 1987,  
15 regardless of the date of retirement; provided that, if  
16 retirement was before January 23, 1987, the employee or  
17 eligible spouse repays the excess spouse refund with interest  
18 at the effective rate from the date of refund to the date of  
19 repayment.

20 If the date of the employee's retirement on annuity is  
21 before July 1, 1990, and if such widow of such described  
22 employee shall not have attained such age of 60 or more years  
23 on such date of her husband's retirement on annuity, the  
24 amount provided in the immediately preceding paragraph for a  
25 widow 60 or more years of age on the date of her husband's  
26 retirement on annuity, shall, in the case of such then  
27 younger widow, be reduced by 0.25% for each month that her  
28 then attained age was less than 60 years if the employee was  
29 born before January 1, 1936, or withdraws from service on or  
30 after January 1, 1988, or 0.5% for each month that her then  
31 attained age was less than 60 years if the employee was born  
32 on or after January 1, 1936 and withdraws from service before  
33 January 1, 1988.

34 If the date of the employee's retirement on annuity is on

1 or after July 1, 1990, and if the widow of the employee has  
2 not attained age 55 by the date of the employee's retirement  
3 on annuity, the amount otherwise provided in this subsection  
4 (b) shall be reduced by 0.25% for each month that her then  
5 attained age is less than 55 years; except that if the  
6 employee retires on annuity on or after January 1, 1998 at  
7 age 50 or over with at least 30 years of service or at age 55  
8 or over with at least 25 years of service, there shall be no  
9 reduction due to the widow's age if she has attained age 50  
10 on or before the employee's date of death, and if the widow  
11 has not attained age 50 on or before the employee's date of  
12 death the amount otherwise provided in this subsection (b)  
13 shall be reduced by 0.25% for each month that her then  
14 attained age is less than 50 years.

15 (c) The foregoing provisions relating to minimum  
16 annuities for widows shall not apply to the widow of any  
17 former employee receiving an annuity from the fund on August  
18 2, 1965 or on the effective date of this amendatory  
19 provision, who re-enters service as a former employee, unless  
20 such employee renders at least 3 years of additional service  
21 after the date of re-entry.

22 (d) (Blank).

23 (e) (Blank).

24 (f) The amendments to this Section by this amendatory  
25 Act of 1985, relating to changing the discount because of age  
26 from 1/2 of 1% to 0.25% per month for widows of employees  
27 born before January 1, 1936, shall apply only to qualifying  
28 widows whose husbands die while in the service on or after  
29 August 16, 1985 or withdraw and enter on annuity on or after  
30 August 16, 1985.

31 (g) Beginning on January 1, 1999, the minimum amount of  
32 widow's annuity shall be \$800 per month for life for the  
33 following classes of widows, without regard to the fact that  
34 the death of the employee occurred prior to the effective

1 date of this amendatory Act of 1998:

2 (1) any widow annuitant alive and receiving a term  
3 annuity on the effective date of this amendatory Act of  
4 1998, except a reciprocal annuity;

5 (2) any widow annuitant alive and receiving a life  
6 annuity on the effective date of this amendatory Act of  
7 1998, except a reciprocal annuity;

8 (3) any widow annuitant alive and receiving a  
9 reciprocal annuity on the effective date of this  
10 amendatory Act of 1998, whose employee spouse's service  
11 in this fund was at least 5 years;

12 (4) the widow of an employee with at least 10 years  
13 of service in this fund who dies after retirement, if the  
14 retirement occurred prior to the effective date of this  
15 amendatory Act of 1998;

16 (5) the widow of an employee with at least 10 years  
17 of service in this fund who dies after retirement, if  
18 withdrawal occurs on or after the effective date of this  
19 amendatory Act of 1998;

20 (6) the widow of an employee who dies in service  
21 with at least 5 years of service in this fund, if the  
22 death in service occurs on or after the effective date of  
23 this amendatory Act of 1998.

24 The increases granted under items (1), (2), (3) and (4)  
25 of this subsection (g) shall not be limited by any other  
26 Section of this Act.

27 (g-5) Beginning on January 1, 2004, the minimum amount  
28 of widow's annuity shall be \$900 per month for life for the  
29 following classes of widows, without regard to the fact that  
30 the death of the employee occurred prior to the effective  
31 date of this amendatory Act of the 93rd General Assembly:

32 (1) any widow annuitant alive and receiving a term  
33 annuity on the effective date of this amendatory Act of  
34 the 93rd General Assembly, except a reciprocal annuity;

1           (2) any widow annuitant alive and receiving a life  
2 annuity on the effective date of this amendatory Act of  
3 the 93rd General Assembly, except a reciprocal annuity;

4           (3) any widow annuitant alive and receiving a  
5 reciprocal annuity on the effective date of this  
6 amendatory Act of the 93rd General Assembly, whose  
7 employee spouse's service in this fund was at least 5  
8 years;

9           (4) the widow of an employee with at least 10 years  
10 of service in this fund who dies after retirement, if the  
11 retirement occurred prior to the effective date of this  
12 amendatory Act of the 93rd General Assembly;

13           (5) the widow of an employee with at least 10 years  
14 of service in this fund who dies after retirement, if  
15 withdrawal occurs on or after the effective date of this  
16 amendatory Act of the 93rd General Assembly;

17           (6) the widow of an employee who dies in service  
18 with at least 5 years of service in this fund, if the  
19 death in service occurs on or after the effective date of  
20 this amendatory Act of the 93rd General Assembly.

21           The increases granted under items (1), (2), (3) and (4)  
22 of this subsection (g-5) shall not be limited by any other  
23 Section of this Act.

24           (g-10) Beginning on January 1, 2005, the minimum amount  
25 of widow's annuity shall be \$1,000 per month for life for the  
26 following classes of widows, without regard to the fact that  
27 the death of the employee occurred prior to the effective  
28 date of this amendatory Act of the 93rd General Assembly:

29           (1) any widow annuitant alive and receiving a term  
30 annuity on the effective date of this amendatory Act of  
31 the 93rd General Assembly, except a reciprocal annuity;

32           (2) any widow annuitant alive and receiving a life  
33 annuity on the effective date of this amendatory Act of  
34 the 93rd General Assembly, except a reciprocal annuity;

1           (3) any widow annuitant alive and receiving a  
2           reciprocal annuity on the effective date of this  
3           amendatory Act of the 93rd General Assembly, whose  
4           employee spouse's service in this fund was at least 5  
5           years;

6           (4) the widow of an employee with at least 10 years  
7           of service in this fund who dies after retirement, if the  
8           retirement occurred prior to the effective date of this  
9           amendatory Act of the 93rd General Assembly;

10           (5) the widow of an employee with at least 10 years  
11           of service in this fund who dies after retirement, if  
12           withdrawal occurs on or after the effective date of this  
13           amendatory Act of the 93rd General Assembly;

14           (6) the widow of an employee who dies in service  
15           with at least 5 years of service in this fund, if the  
16           death in service occurs on or after the effective date of  
17           this amendatory Act of the 93rd General Assembly.

18           The increases granted under items (1), (2), (3) and (4)  
19           of this subsection (g-10) shall not be limited by any other  
20           Section of this Act.

21           (h) The widow of an employee who retired or died in  
22           service on or after January 1, 1985 and before July 1, 1990,  
23           at age 55 or older, and with at least 35 years of service  
24           credit, shall be entitled to have her widow's annuity  
25           increased, effective January 1, 1991, to an amount equal to  
26           50% of the retirement annuity that the deceased employee  
27           received on the date of retirement, or would have been  
28           eligible to receive if he had retired on the day preceding  
29           the date of his death in service, provided that if the widow  
30           had not attained age 60 by the date of the employee's  
31           retirement or death in service, the amount of the annuity  
32           shall be reduced by 0.25% for each month that her then  
33           attained age was less than age 60 if the employee's  
34           retirement or death in service occurred on or after January

1 1, 1988, or by 0.5% for each month that her attained age is  
2 less than age 60 if the employee's retirement or death in  
3 service occurred prior to January 1, 1988. However, in cases  
4 where a refund of excess contributions for widow's annuity  
5 has been paid by the Fund, the increase in benefit provided  
6 by this subsection (h) shall be contingent upon repayment of  
7 the refund to the Fund with interest at the effective rate  
8 from the date of refund to the date of payment.

9 (i) If a deceased employee is receiving a retirement  
10 annuity at the time of death and that death occurs on or  
11 after June 27, 1997, the widow may elect to receive, in lieu  
12 of any other annuity provided under this Article, 50% of the  
13 deceased employee's retirement annuity at the time of death  
14 reduced by 0.25% for each month that the widow's age on the  
15 date of death is less than 55; except that if the employee  
16 dies on or after January 1, 1998 and withdrew from service on  
17 or after June 27, 1997 at age 50 or over with at least 30  
18 years of service or at age 55 or over with at least 25 years  
19 of service, there shall be no reduction due to the widow's  
20 age if she has attained age 50 on or before the employee's  
21 date of death, and if the widow has not attained age 50 on or  
22 before the employee's date of death the amount otherwise  
23 provided in this subsection (i) shall be reduced by 0.25% for  
24 each month that her age on the date of death is less than 50  
25 years. However, in cases where a refund of excess  
26 contributions for widow's annuity has been paid by the Fund,  
27 the benefit provided by this subsection (i) is contingent  
28 upon repayment of the refund to the Fund with interest at the  
29 effective rate from the date of refund to the date of  
30 payment.

31 (j) For widows of employees who died before January 23,  
32 1987 after retirement on annuity or in service, the maximum  
33 dollar amount limitation on widow's annuity shall cease to  
34 apply, beginning with the first annuity payment after the

1 effective date of this amendatory Act of 1997; except that if  
 2 a refund of excess contributions for widow's annuity has been  
 3 paid by the Fund, the increase resulting from this subsection  
 4 (j) shall not begin before the refund has been repaid to the  
 5 Fund, together with interest at the effective rate from the  
 6 date of the refund to the date of repayment.

7 (k) In lieu of any other annuity provided in this  
 8 Article, an eligible spouse of an employee who dies in  
 9 service at least 60 days after the effective date of this  
 10 amendatory Act of the 92nd General Assembly with at least 10  
 11 years of service shall be entitled to an annuity of 50% of  
 12 the minimum formula annuity earned and accrued to the credit  
 13 of the employee at the date of death. For the purposes of  
 14 this subsection, the minimum formula annuity earned and  
 15 accrued to the credit of the employee is equal to 2.40% for  
 16 each year of service of the highest average annual salary for  
 17 any 4 consecutive years within the last 10 years of service  
 18 immediately preceding the date of death, up to a maximum of  
 19 80% of the highest average annual salary. This annuity shall  
 20 not be reduced due to the age of the employee or spouse. In  
 21 addition to any other eligibility requirements under this  
 22 Article, the spouse is eligible for this annuity only if the  
 23 marriage was in effect for 10 full years or more.

24 (Source: P.A. 92-599, eff. 6-28-02.)

25 (40 ILCS 5/11-145.2 new)

26 Sec. 11-145.2. Automatic annual increase in widow's  
 27 annuity.

28 (a) Every widow's annuity, other than those annuities of  
 29 widows originally entitled to term annuities, shall be  
 30 increased on (1) January 1 next following the effective date  
 31 of this amendatory Act of the 93rd General Assembly, (2) the  
 32 January 1 immediately after the deceased employee's death, or  
 33 (3) the January 1 on or next after the date on which the

1 deceased employee would have been eligible for his or her  
2 first increase, whichever occurs latest, by an amount equal  
3 to 3% of the amount of widow's annuity. On each January 1  
4 after the date of the initial increase under this Section,  
5 the widow's annuity shall be increased by an amount equal to  
6 3% of the amount of widow's annuity payable at the time of  
7 the increase, including any increases previously granted  
8 under this Article.

9 (b) Limitations on the maximum amount of widow's annuity  
10 imposed under Section 11-149 do not apply to the annual  
11 increases under this Section.

12 (c) The increases under this Section do not apply to  
13 reversionary annuities under Section 11-134.2 or term  
14 annuities under Section 11-152. The increases provided under  
15 this Section do apply to compensation and supplemental  
16 annuities under Section 11-146.

17 (40 ILCS 5/11-160.1) (from Ch. 108 1/2, par. 11-160.1)  
18 Sec. 11-160.1. Payments to city Group-health-benefit.

19 (a) For the purposes of this Section, "city annuitant"  
20 means a person receiving an age and service annuity, a  
21 widow's annuity, a child's annuity, or a minimum annuity  
22 under this Article as a direct result of previous employment  
23 by the City of Chicago ("the city").

24 (b) The board shall pay to the city, on behalf of the  
25 board's city annuitants who participate in any of the city's  
26 health care plans, the following amounts:

27 (1) From July 1, 2003 through June 30, 2008, \$85  
28 per month for each such annuitant who is not eligible to  
29 receive Medicare benefits and \$55 per month for each such  
30 annuitant who is eligible to receive Medicare benefits.

31 (2) From July 1, 2008 through June 30, 2013, \$95  
32 per month for each such annuitant who is not eligible to  
33 receive Medicare benefits and \$65 per month for each such

annuitant who is eligible to receive Medicare benefits.

The payments described in this subsection shall be paid from the tax levy authorized under Section 11-169; such amounts shall be credited to the reserve for group hospital care and group medical and surgical plan benefits, and all payments to the city required under this subsection shall be charged against it.

(c) The city health care plans referred to in this Section and the board's payments to the city under this Section are not and shall not be construed to be pension or retirement benefits for the purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

~~(a) For the purposes of this Section: (1) "annuitant" means a person receiving an age and service annuity, a prior service annuity, a widow's annuity, a widow's prior service annuity, or a minimum annuity, under Article 5, 6, 8 or 11, by reason of previous employment by the City of Chicago (hereinafter, in this Section, "the city"); (2) "Medicare Plan annuitant" means an annuitant described in item (1) who is eligible for Medicare benefits; and (3) "non-Medicare-Plan annuitant" means an annuitant described in item (1) who is not eligible for Medicare benefits.~~

~~(b) The city shall offer group health benefits to annuitants and their eligible dependents through June 30, 2003. The basic city health care plan available as of June 30, 1988 (hereinafter called the basic city plan) shall cease to be a plan offered by the city, except as specified in subparagraphs (4) and (5) below, and shall be closed to new enrollment or transfer of coverage for any non-Medicare-Plan annuitant as of June 27, 1997. The city shall offer non-Medicare-Plan annuitants and their eligible dependents the option of enrolling in its Annuitant Preferred Provider Plan and may offer additional plans for any annuitant. The city may amend, modify, or terminate any of its additional~~

1 plans--at--its--sole--discretion.--If--the--city--offers--more--than  
 2 one--annuitant--plan,--the--city--shall--allow--annuitants--to  
 3 convert--coverage--from--one--city--annuitant--plan--to--another,  
 4 except--the--basic--city--plan,--during--times--designated--by--the  
 5 city,--which--periods--of--time--shall--occur--at--least--annually.  
 6 For--the--period--dating--from--June--27,--1997--through--June--30,  
 7 2003,--monthly--premium--rates--may--be--increased--for--annuitants  
 8 during--the--time--of--their--participation--in--non-Medicare--plans,  
 9 except--as--provided--in--subparagraphs--(1)--through--(4)--of--this  
 10 subsection.

11 (1)--For--non-Medicare--Plan--annuitants--who--retired  
 12 prior--to--January--1,--1988,--the--annuitant's--share--of  
 13 monthly--premium--for--non-Medicare--Plan--coverage--only--shall  
 14 not--exceed--the--highest--premium--rate--chargeable--under--any  
 15 city--non-Medicare--Plan--annuitant--coverage--as--of--December  
 16 1,--1996.

17 (2)--For--non-Medicare--Plan--annuitants--who--retire--on  
 18 or--after--January--1,--1988,--the--annuitant's--share--of  
 19 monthly--premium--for--non-Medicare--Plan--coverage--only--shall  
 20 be--the--rate--in--effect--on--December--1,--1996,--with--monthly  
 21 premium--increases--to--take--effect--no--sooner--than--April--1,  
 22 1998--at--the--lower--of--(i)--the--premium--rate--determined  
 23 pursuant--to--subsection--(g)--or--(ii)--10%--of--the--immediately  
 24 previous--month's--rate--for--similar--coverage.

25 (3)--In--no--event--shall--any--non-Medicare--Plan  
 26 annuitant's--share--of--monthly--premium--for--non-Medicare  
 27 Plan--coverage--exceed--10%--of--the--annuitant's--monthly  
 28 annuity.

29 (4)--Non-Medicare--Plan--annuitants--who--are--enrolled  
 30 in--the--basic--city--plan--as--of--July--1,--1998--may--remain--in  
 31 the--basic--city--plan,--if--they--so--choose,--on--the--condition  
 32 that--they--are--not--entitled--to--the--caps--on--rates--set--forth  
 33 in--subparagraphs--(1)--through--(3),--and--their--premium--rate  
 34 shall--be--the--rate--determined--in--accordance--with

1 subsections (e) and (g).

2 (5) Medicare Plan annuitants who are currently  
3 enrolled in the basic city plan for Medicare eligible  
4 annuitants may remain in that plan, if they so choose,  
5 through June 30, 2003. Annuitants shall not be allowed  
6 to enroll in or transfer into the basic city plan for  
7 Medicare eligible annuitants on or after July 1, 1999.  
8 The city shall continue to offer annuitants a  
9 supplemental Medicare Plan for Medicare eligible  
10 annuitants through June 30, 2003, and the city may offer  
11 additional plans to Medicare eligible annuitants in its  
12 sole discretion. All Medicare Plan annuitant monthly  
13 rates shall be determined in accordance with subsections  
14 (e) and (g).

15 (e) The city shall pay 50% of the aggregated costs of  
16 the claims or premiums, whichever is applicable, as  
17 determined in accordance with subsection (g), of annuitants  
18 and their dependents under all health care plans offered by  
19 the city. The city may reduce its obligation by application  
20 of price reductions obtained as a result of financial  
21 arrangements with providers or plan administrators.

22 (d) From January 1, 1993 until June 30, 2003, the board  
23 shall pay to the city on behalf of each of the board's  
24 annuitants who chooses to participate in any of the city's  
25 plans the following amounts: up to a maximum of \$75 per month  
26 for each such annuitant who is not qualified to receive  
27 Medicare benefits, and up to a maximum of \$45 per month for  
28 each such annuitant who is qualified to receive Medicare  
29 benefits.

30 The payments described in this subsection shall be paid  
31 from the tax levy authorized under Section 11-178; such  
32 amounts shall be credited to the reserve for group hospital  
33 care and group medical and surgical plan benefits, and all  
34 payments to the city required under this subsection shall be

1 charged-against-it.

2 (e)--The-city's-obligations-under-subsections-(b)-and-(c)  
3 shall-terminate-on-June--30,--2003,--except--with--regard--to  
4 covered-expenses-incurred-but-not-paid-as-of-that-date.--This  
5 subsection--shall--not--affect--other-obligations-that-may-be  
6 imposed-by-law.

7 (f)--The-group-coverage-plans-described-in--this--Section  
8 are--not--and--shall--not--be--construed--to--be--pension--or  
9 retirement-benefits-for-purposes-of-Section-5-of-Article-XIII  
10 of-the-Illinois-Constitution-of-1970.

11 (g)--For--each--annuitant--plan--offered-by-the-city, the  
12 aggregate-cost-of-claims, as-reflected-in-the--claim--records  
13 of--the--plan--administrator, shall-be-estimated-by-the-city,  
14 based-upon-a-written-determination-by-a-qualified-independent  
15 actuary-to-be-appointed-and-paid-by-the-city-and--the--board.  
16 If--the-estimated-annual-cost-for-each-annuitant-plan-offered  
17 by--the--city--is--more--than--the--estimated--amount--to--be  
18 contributed-by-the-city-for-that-plan-pursuant-to-subsections  
19 (b)-and-(c)-during-that-year-plus-the-estimated-amounts-to-be  
20 paid-pursuant-to-subsection-(d)--and--by--the--other--pension  
21 boards--on--behalf--of--other--participating--annuitants, the  
22 difference-shall-be-paid-by-all-annuitants--participating--in  
23 the--plan,--except--as-provided-in-subsection-(b).--The-city,  
24 based-upon-the--determination--of--the--independent--actuary,  
25 shall-set-the-monthly-amounts-to-be-paid-by-the-participating  
26 annuitants.---The--board-may-deduct-the-amounts-to-be-paid-by  
27 its-annuitants-from--the--participating--annuitants'-monthly  
28 annuities.

29 If-it-is-determined-from-the-city's-annual-audit, or-from  
30 audited--experience--data,--that-the-total-amount-paid-by-all  
31 participating-annuitants-was-more-or-less-than-the-difference  
32 between-(1)-the-cost--of--providing--the--group--health--care  
33 plans,--and--(2)-the-sum-of-the-amount-to-be-paid-by-the-city  
34 as-determined-under-subsection-(c)-and-the--amounts--paid--by

1 all--the-pension-boards,-then-the-independent-actuary-and-the  
2 city-shall-account-for-the-excess-or-shortfall--in--the--next  
3 year's---payments---by--annuitants,-except--as--provided--in  
4 subsection-(b)-

5 (h)--An-annuitant-may-elect-to-terminate--coverage--in--a  
6 plan--at-the-end-of-any-month,-which-election-shall-terminate  
7 the-annuitant's-obligation-to-contribute--toward--payment--of  
8 the-excess-described-in-subsection-(g)-

9 (i)--The--city--shall--advise--the--board-of-all-proposed  
10 premium-increases-for-health-care-at-least-75-days--prior--to  
11 the--effective--date-of-the-change,-and-any-increase-shall-be  
12 prospective-only-

13 (Source: P.A. 92-599, eff. 6-28-02.)

14 (40 ILCS 5/11-160.2 new)

15 Sec. 11-160.2. Payments to board of education for group  
16 health benefits.

17 (a) Should the Board of Education continue to sponsor a  
18 retiree health plan, the board is authorized to pay to the  
19 Board of Education, on behalf of each eligible annuitant who  
20 chooses to participate in the Board of Education's retiree  
21 health benefit plan, the following amounts:

22 (1) From July 1, 2003 through June 30, 2008, \$85  
23 per month for each such annuitant who is not eligible to  
24 receive Medicare benefits and \$55 per month for each such  
25 annuitant who is eligible to receive Medicare benefits.

26 (2) From July 1, 2008 through June 30, 2013, \$95  
27 per month for each such annuitant who is not eligible to  
28 receive Medicare benefits and \$65 per month for each such  
29 annuitant who is eligible to receive Medicare benefits.

30 The payments described in this subsection shall be paid  
31 from the tax levy authorized under Section 11-169; such  
32 amounts shall be credited to the reserve for group hospital  
33 care and group medical and surgical plan benefits, and all

1 payments to the Board of Education under this subsection  
2 shall be charged against it.

3 (b) The Board of Education health benefit plan referred  
4 to in this Section and the board's payments to the Board of  
5 Education under this Section are not and shall not be  
6 construed to be pension or retirement benefits for the  
7 purposes of Section 5 of Article XIII of the Illinois  
8 Constitution of 1970.

9 (40 ILCS 5/11-163) (from Ch. 108 1/2, par. 11-163)

10 Sec. 11-163. Restoration of rights. An employee who has  
11 withdrawn as a refund the amounts credited for annuity  
12 purposes, and who (i) re-enters service of the employer and  
13 serves for periods comprising at least 90 days 2-years after  
14 the date of the last refund paid to him or (ii) has completed  
15 at least 2 years of service under a participating system (as  
16 defined in the Retirement Systems Reciprocal Act) other than  
17 this Fund after the date of the last refund, shall have his  
18 annuity rights restored by making application to the board in  
19 writing for the privilege of re-instating such rights and by  
20 compliance with the following provisions:

21 (a) After that 90 day or 2 year period, whichever  
22 applies, he shall repay in full to the Fund, while in  
23 service, ~~in--full~~ all refunds received, together with  
24 interest at the effective rate from the application dates  
25 of such refund or refunds to the date of repayment.;

26 (b) If payment is not made in a single sum,  
27 repayment may be made in installments by deductions from  
28 salary or otherwise, in such manner and amounts as the  
29 board, by rule, may prescribe, with interest at the  
30 effective rate accruing on the unpaid balance employee  
31 ~~may-eleet~~. The employee shall be credited with interest  
32 at the effective rate from the date of each installment  
33 until full repayment is made.

1           (c) If the employee withdraws from service or dies  
2 in service before full repayment is made, service credit  
3 shall be restored in accordance with Section 11-221.2(b).

4           (d) If the employee withdraws from service or dies  
5 in service or during the required 90 day or 2 year  
6 period, any repayments made shall be refunded, without  
7 interest thereon and in accordance with the refund  
8 provisions of this Article.

9           (e) If the employee repays the refund while  
10 participating in a participating system (as defined in  
11 the Retirement Systems Reciprocal Act) other than this  
12 Fund, the service credit restored must be used for a  
13 proportional annuity calculated in accordance with the  
14 Retirement Systems Reciprocal Act. If not so used, the  
15 restored service credit shall be forfeited and the amount  
16 of the repayment shall be refunded, without interest.

17 (Source: Laws 1963, p. 161.)

18 (40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

19 Sec. 11-167. Refunds in lieu of annuity. In lieu of an  
20 annuity, an employee who withdraws, and whose annuity would  
21 amount to less than \$800 a month for life may elect to  
22 receive a refund of the total sum accumulated to his credit  
23 from employee contributions for annuity purposes.

24 The widow of any employee, eligible for annuity upon the  
25 death of her husband, whose annuity would amount to less than  
26 \$800 a month for life, may, in lieu of a widow's annuity,  
27 elect to receive a refund of the accumulated contributions  
28 for annuity purposes, based on the amounts contributed by her  
29 deceased employee husband, but reduced by any amounts  
30 theretofore paid to him in the form of an annuity or refund  
31 out of such accumulated contributions.

32 Accumulated contributions shall mean the amounts  
33 including interest credited thereon contributed by the

1 employee for age and service and widow's annuity to the date  
2 of his withdrawal or death, whichever first occurs, and  
3 including the accumulations from any amounts contributed for  
4 him as salary deductions while receiving duty disability  
5 benefits; provided that such amounts contributed by the city  
6 after December 31, 1983 while the employee is receiving duty  
7 disability benefits and amounts credited to the employee for  
8 annuity purposes by the fund after December 31, 2000 while  
9 the employee is receiving ordinary disability benefits shall  
10 not be included.

11 The acceptance of such refund in lieu of widow's annuity,  
12 on the part of a widow, shall not deprive a child or children  
13 of the right to receive a child's annuity as provided for in  
14 Sections 11-153 and 11-154 of this Article, and neither shall  
15 the payment of a child's annuity in the case of such refund  
16 to a widow reduce the amount herein set forth as refundable  
17 to such widow electing a refund in lieu of widow's annuity.

18 (Source: P.A. 91-887, eff. 7-6-00; 92-599, eff. 6-28-02;  
19 revised 10-22-02.)

20 (40 ILCS 5/11-170.1) (from Ch. 108 1/2, par. 11-170.1)

21 Sec. 11-170.1. Pickup of employee contributions.

22 (a) The employer may pick up the employee contributions  
23 required by Sections 11-156, 11-170, 11-174 and 11-175.1 for  
24 salary earned after December 31, 1981. If employee  
25 contributions are not picked up, the amount that would have  
26 been picked up under this amendatory Act of 1980 shall  
27 continue to be deducted from salary. If contributions are  
28 picked up they shall be treated as employer contributions in  
29 determining tax treatment under the United States Internal  
30 Revenue Code; however, the employer shall continue to  
31 withhold Federal and state income taxes based upon these  
32 contributions until the Internal Revenue Service or the  
33 Federal courts rule that pursuant to Section 414(h) of the

1 United States Internal Revenue Code, these contributions  
2 shall not be included as gross income of the employee until  
3 such time as they are distributed or made available. The  
4 employer shall pay these employee contributions from the same  
5 source of funds which is used in paying salary to the  
6 employee. The employer may pick up these contributions by a  
7 reduction in the cash salary of the employee or by an offset  
8 against a future salary increase or by a combination of a  
9 reduction in salary and offset against a future salary  
10 increase. If employee contributions are picked up they shall  
11 be treated for all purposes of this Article 11, including  
12 Section 11-169, in the same manner and to the same extent as  
13 employee contributions made prior to the date picked up.

14 (b) Subject to the requirements of federal law and the  
15 rules of the Board, the Fund may allow the employee to elect  
16 to have the employer pick up the optional contributions that  
17 the employee has elected to pay to the Fund, and the  
18 contributions so picked up shall be treated as employer  
19 contributions for the purpose of determining federal tax  
20 treatment. The employer shall pick up the contributions by a  
21 reduction in the cash salary of the employee and shall pay  
22 contributions from the same source of funds that is used to  
23 pay earnings of the employee. The election to have the  
24 contributions picked up is irrevocable, and the optional  
25 contributions may not thereafter be prepaid, by direct  
26 payment or otherwise.

27 If the provision authorizing the optional contribution  
28 requires payment by a stated date (rather than the date of  
29 withdrawal or retirement), the requirement will be deemed to  
30 have been satisfied if (i) on or before the stated date the  
31 employee executes a valid irrevocable election to have the  
32 contributions picked up under this subsection, and (ii) the  
33 picked-up contributions are in fact paid to the Fund as  
34 provided in the election.

1 If employee contributions are picked up under this  
2 subsection, they shall be treated for all purposes of this  
3 Article 11, including Section 11-169, in the same manner and  
4 to the same extent as optional employee contributions made  
5 prior to the date picked up.

6 (Source: P.A. 81-1536.)

7 (40 ILCS 5/11-221.4 new)

8 Sec. 11-221.4. Credit for certain military service. In  
9 addition to any creditable service established under Section  
10 11-221, creditable service for annuity purposes only may be  
11 granted for up to 2 years of service in the armed forces of  
12 the United States that was not immediately preceded by  
13 service with the employer. A member shall receive service  
14 credit for military service under this Section, provided that  
15 all of the following conditions are met:

16 (1) The employee must be employed by the employer  
17 and contributing to the Fund for current service when he  
18 makes the payment for military service.

19 (2) The employee must have entered or re-entered  
20 the service of the employer within 2 years after his  
21 discharge.

22 (3) The discharge from military service must have  
23 been other than a dishonorable discharge.

24 (4) The employee must apply to the Fund in writing  
25 and provide evidence of the military service that is  
26 satisfactory to the Board.

27 (5) The employee must have paid for all unpaid  
28 service with the employer (refund repayment, payment for  
29 temporary service, or any other service with the  
30 employer) before payment may be made under this Section.

31 (6) The employee must have been in active duty  
32 military service; service in the military reserves is not  
33 eligible under this Section.

1           (7) The employee must not receive credit in any  
2 other pension plan for this period of military service.

3           (8) The employee must contribute to the Fund an  
4 amount representing employee contributions. The required  
5 contribution shall be calculated by the Fund, based on  
6 the contribution rates in effect during the period of  
7 military service and the employee's salary rate on the  
8 first day of service in the Fund following the military  
9 service, and shall include interest at the effective rate  
10 from the employee's first day of service in the Fund  
11 following the military service to the date of payment.  
12 The employee must pay the required contribution in full  
13 before withdrawal or death in service. If the employee  
14 withdraws or dies in service before full payment is made,  
15 the amount paid by him shall be refunded.

16           (9) The amount of military service credit  
17 established by an employee under this Section shall not  
18 exceed 2 years.

19           (40 ILCS 5/13-301) (from Ch. 108 1/2, par. 13-301)

20           Sec. 13-301. Retirement annuity; eligibility. Any  
21 employee who withdraws from service and meets the age and  
22 service requirements and other conditions set forth in  
23 subsections (a), (b), (c) or (d) hereof is entitled to  
24 receive a retirement annuity.

25           (a) Withdrawal on or after age 60. Any employee, upon  
26 withdrawal from service on or after attainment of age 60 and  
27 having at least 5 years of service, is entitled to a  
28 retirement annuity.

29           (b) Withdrawal on or after attainment of minimum  
30 retirement qualifications and prior to age 60.

31           (1) Any employee, upon withdrawal from service on  
32 or after attainment of age 55 (age 50 if the employee  
33 first entered service before June 13, 1997) but prior to

1 age 60 and having at least 10 years of service, is  
2 entitled to a retirement annuity as of the date of  
3 withdrawal or, at the option of the employee, at any time  
4 thereafter.

5 (2) Any employee who withdraws on or after  
6 attainment of age 55 (age 50 if the employee first  
7 entered service before June 13, 1997) and prior to age 60  
8 having at least 5 years but less than 10 years of service  
9 is entitled to a retirement annuity upon attainment of  
10 age 62, subject to the other requirements of this  
11 Article.

12 (3) Any employee who withdraws from service on or  
13 after attainment of age 50 but prior to age 60 and is  
14 eligible for early retirement without discount under the  
15 Rule of 80 as provided in subsection (c) of Section  
16 13-302 is entitled to a retirement annuity at the time of  
17 withdrawal.

18 (c) Withdrawal prior to minimum retirement age. Any  
19 employee, upon withdrawal from service prior to age 55 (age  
20 50 if the employee first entered service before June 13,  
21 1997) and having at least 10 years of service, shall become  
22 entitled to a retirement annuity upon attainment of age 55  
23 (age 50 if the employee first entered service before June 13,  
24 1997) or, at the option of the employee, at any time  
25 thereafter, subject to the other requirements of this  
26 Article.

27 (d) Withdrawal while disabled. Any employee having at  
28 least 5 years of service who has received ordinary disability  
29 benefits on or after January 1, 1986 for the maximum period  
30 of time hereinafter prescribed, and who continues to be  
31 disabled and withdraws from service, shall be entitled to a  
32 retirement annuity. In the case of an employee who enters  
33 service after the effective date of this amendatory Act of  
34 the 93rd General Assembly, the required 5 years of service is

1 exclusive of service credit described in Section 13-313. The  
2 age and service conditions as to eligibility for such annuity  
3 shall be waived as to the employee, but the early retirement  
4 discount under Section 13-302(b) shall apply. If the  
5 employee is under age 55 on the date of withdrawal, the  
6 retirement annuity shall be computed by assuming that the  
7 employee is then age 55 and then reduced to its actuarial  
8 equivalent at his attained age on that date according to  
9 applicable mortality tables and interest rates. The  
10 retirement annuity shall not be payable for any period prior  
11 to the employee's attainment of age 55 during which the  
12 employee is able to return to gainful employment. Upon the  
13 employee's death while in receipt of a retirement annuity, a  
14 surviving spouse or minor children shall be entitled to  
15 receive a surviving spouse's annuity or child's annuity  
16 subject to the conditions hereinafter prescribed in Sections  
17 13-305 through 13-308.

18 (Source: P.A. 92-599, eff. 6-28-02.)

19 (40 ILCS 5/13-302) (from Ch. 108 1/2, par. 13-302)  
20 Sec. 13-302. Computation of retirement annuity.

21 (a) Computation of annuity. An employee who withdraws  
22 from service on or after July 1, 1989 and who has met the age  
23 and service requirements and other conditions for eligibility  
24 set forth in Section 13-301 of this Article is entitled to  
25 receive a retirement annuity for life equal to 2.2% of  
26 average final salary for each of the first 20 years of  
27 service, and 2.4% of average final salary for each year of  
28 service in excess of 20. The retirement annuity shall not  
29 exceed 80% of average final salary.

30 (b) Early retirement discount. If an employee retires  
31 prior to attainment of age 60 with less than 30 years of  
32 service, the annuity computed above shall be reduced by 1/2  
33 of 1% for each full month between the date the annuity begins

1 and attainment of age 60, or each full month by which the  
2 employee's service is less than 30 years, whichever is less.  
3 However, where the employee first enters service after June  
4 13, 1997 and does not have at least 10 years of service  
5 exclusive of credit under Article 20, the annuity computed  
6 above shall be reduced by 1/2 of 1% for each full month  
7 between the date the annuity begins and attainment of age 60.

8 (c) Rule of 80 - Early retirement without discount. For  
9 an employee who retires on or after January 1, 2003 but on or  
10 before December 31, 2007, if the employee is eligible for a  
11 retirement annuity under Section 13-301 and has at least 10  
12 years of service exclusive of credit under Article 20 and if  
13 at the date of withdrawal the employee's age when added to  
14 the number of years of his or her creditable service equals  
15 at least 80, the early retirement discount in subsection (b)  
16 of this Section does not apply. For purposes of this Rule of  
17 80, portions of years shall be considered in whole months.

18 An employee who has terminated employment with the  
19 employer under this Article prior to the effective date of  
20 this amendatory Act of the 92nd General Assembly and  
21 subsequently re-enters service must remain in service with  
22 the employer under this Article for at least 2 years after  
23 re-entry during the period beginning on January 1, 2003 and  
24 ending on December 31, 2007 to be entitled to early  
25 retirement without discount under this subsection (c).

26 In the case of an employee who retires under the terms of  
27 Article 20, eligibility for early retirement without discount  
28 under this subsection (c) shall be based upon the employee's  
29 age and service credit at the time of withdrawal from the  
30 final fund.

31 (c-1) Early retirement without discount; retirement  
32 after June 29, 1997 and before January 1, 2003. An employee  
33 who (i) has attained age 55 (age 50 if the employee first  
34 entered service before June 13, 1997), (ii) has at least 10

1 years of service exclusive of credit under Article 20, (iii)  
2 retires after June 29, 1997 and before January 1, 2003, and  
3 (iv) retires within 6 months of the last day for which  
4 retirement contributions were required, may elect at the time  
5 of application to make a one-time employee contribution to  
6 the Fund and thereby avoid the early retirement reduction  
7 specified in subsection (b). The exercise of the election  
8 shall also obligate the employer to make a one-time  
9 nonrefundable contribution to the Fund.

10 The one-time employee and employer contributions shall be  
11 a percentage of the retiring employee's highest full-time  
12 annual salary, calculated as the total amount of salary  
13 included in the highest 26 consecutive pay periods as used in  
14 the average final salary calculation, and based on the  
15 employee's age and service at retirement. The employee rate  
16 shall be 7% multiplied by the lesser of the following 2  
17 numbers: (1) the number of years, or portion thereof, that  
18 the employee is less than age 60; or (2) the number of years,  
19 or portion thereof, that the employee's service is less than  
20 30 years. The employer contribution shall be at the rate of  
21 20% for each year, or portion thereof, that the participant  
22 is less than age 60.

23 Upon receipt of the application, the Board shall  
24 determine the corresponding employee and employer  
25 contributions. The annuity shall not be payable under this  
26 subsection until both the required contributions have been  
27 received by the Fund. However, the date the contributions  
28 are received shall not be considered in determining the  
29 effective date of retirement.

30 The number of employees who may retire under this Section  
31 in any year may be limited at the option of the District to a  
32 specified percentage of those eligible, not lower than 30%,  
33 with the right to participate to be allocated among those  
34 applying on the basis of seniority in the service of the

1 employer.

2 An employee who has terminated employment and  
3 subsequently re-enters service shall not be entitled to early  
4 retirement without discount under this subsection unless the  
5 employee continues in service for at least 4 years after  
6 re-entry.

7 (d) Annual increase. Except for employees retiring and  
8 receiving a term annuity, an employee who retires on or after  
9 July 1, 1985 but before July 12, 2001, shall, upon the first  
10 payment date following the first anniversary of the date of  
11 retirement, have the monthly annuity increased by 3% of the  
12 amount of the monthly annuity fixed at the date of  
13 retirement. Except for employees retiring and receiving a  
14 term annuity, an employee who retires on or after July 12,  
15 2001 shall, on the first day of the month in which the first  
16 anniversary of the date of retirement occurs, have the  
17 monthly annuity increased by 3% of the amount of the monthly  
18 annuity fixed at the date of retirement. The monthly annuity  
19 shall be increased by an additional 3% on the same date each  
20 year thereafter. Beginning January 1, 1993, all annual  
21 increases payable under this subsection (or any predecessor  
22 provision, regardless of the date of retirement) shall be  
23 calculated at the rate of 3% of the monthly annuity payable  
24 at the time of the increase, including any increases  
25 previously granted under this Article.

26 Any employee who (i) retired before July 1, 1985 with at  
27 least 10 years of creditable service, (ii) is receiving a  
28 retirement annuity under this Article, other than a term  
29 annuity, and (iii) has not received any annual increase under  
30 this subsection, shall begin receiving the annual increases  
31 provided under this subsection (d) beginning on the next  
32 annuity payment date following June 13, 1997.

33 (e) Minimum retirement annuity. Beginning January 1,  
34 1993, the minimum monthly retirement annuity shall be \$500

1 for any annuitant having at least 10 years of service under  
2 this Article, other than a term annuitant or an annuitant who  
3 began receiving the annuity before attaining age 60. Any  
4 such annuitant who is receiving a monthly annuity of less  
5 than \$500 shall have the annuity increased to \$500 on that  
6 date.

7 Beginning January 1, 1993, the minimum monthly retirement  
8 annuity shall be \$250 for any annuitant (other than a term or  
9 reciprocal annuitant or an annuitant under subsection (d) of  
10 Section 13-301) having less than 10 years of service under  
11 this Article, and for any annuitant (other than a term  
12 annuitant) having at least 10 years of service under this  
13 Article who began receiving the annuity before attaining age  
14 60. Any such annuitant who is receiving a monthly annuity of  
15 less than \$250 shall have the annuity increased to \$250 on  
16 that date.

17 Beginning August 1, 2001 ~~on-the-first-day--of--the--month~~  
18 ~~following--the-month-in-which-this-amendatory-Act-of-the-92nd~~  
19 ~~General-Assembly-takes-effect~~ (and without regard to whether  
20 the annuitant was in service on or after that effective  
21 date), the minimum monthly retirement annuity for any  
22 annuitant having at least 10 years of service, other than an  
23 annuitant whose annuity is subject to an early retirement  
24 discount, shall be \$500 plus \$25 for each year of service in  
25 excess of 10, not to exceed \$750 for an annuitant with 20 or  
26 more years of service. In the case of a reciprocal annuity,  
27 this minimum shall apply only if the annuitant has at least  
28 10 years of service under this Article, and the amount of the  
29 minimum annuity shall be reduced by the sum of all the  
30 reciprocal annuities payable to the annuitant by other  
31 participating systems under Article 20 of this Code.

32 Notwithstanding any other provision of this subsection,  
33 beginning on the first annuity payment date following July  
34 12, 2001, an employee who retired before August 23, 1989 with

1 at least 10 years of service under this Article but before  
2 attaining age 60 (regardless of whether the retirement  
3 annuity was subject to an early retirement discount) shall be  
4 entitled to the same minimum monthly retirement annuity under  
5 this subsection as an employee who retired with at least 10  
6 years of service under this Article and after attaining age  
7 60.

8 Notwithstanding any other provision of this subsection,  
9 beginning on the first day of the month following the month  
10 in which this amendatory Act of the 93rd General Assembly  
11 takes effect (and without regard to whether the annuitant was  
12 in service on or after that effective date), an employee who  
13 retired on or after August 23, 1989 with at least 10 years of  
14 service under this Article but before attaining age 60  
15 (regardless of whether the retirement annuity was subject to  
16 an early retirement discount but not a retiree who had been  
17 receiving a retirement annuity pursuant to subsection (d) of  
18 Section 13-301), shall be entitled to the same minimum  
19 monthly retirement annuity under this subsection as an  
20 employee who retired with at least 10 years of service under  
21 this Article and after attaining age 60.

22 (Source: P.A. 92-53, eff. 7-12-01; 92-599, eff. 6-28-02.)

23 (40 ILCS 5/13-306) (from Ch. 108 1/2, par. 13-306)

24 Sec. 13-306. Computation of surviving spouse's annuity.

25 (a) Computation of the annuity. The surviving spouse's  
26 annuity shall be equal to 60% of the retirement annuity  
27 earned and accrued to the credit of the deceased employee,  
28 whether death occurs while in service or after withdrawal,  
29 plus 1% for each year of total service of the employee to a  
30 maximum of 85%; provided, however, that if the employee's  
31 death arises out of and in the course of the employee's  
32 service to the employer and is compensable under either the  
33 Illinois Workers' Compensation Act or Illinois Workers'

1 Occupational Diseases Act, the surviving spouse's annuity is  
2 payable regardless of the employee's length of service and  
3 shall be not less than 50% of the employee's salary at the  
4 date of death.

5 For any death in service the early retirement discount  
6 required under Section 13-302(b) shall not be applied in  
7 computing the retirement annuity upon which is based the  
8 surviving spouse's annuity.

9 (b) Reciprocal service. For any employee or annuitant  
10 who retires on or after July 1, 1985 and whose death occurs  
11 after January 1, 1991, having at least 15 years of service  
12 with the employer under this Article, and who was eligible at  
13 the time of death or elected at the time of retirement to  
14 have his or her retirement annuity calculated as provided in  
15 Section 20-131 of this Code, the surviving spouse benefit  
16 shall be calculated as of the date of the employee's death as  
17 indicated in subsection (a) as a percentage of the employee's  
18 total benefit as if all service had been with the employer.  
19 That benefit shall then be reduced by the amounts payable by  
20 each of the reciprocal funds as of the date of death so that  
21 the total surviving spouse benefit at that date will be equal  
22 to the benefit which would have been payable had all service  
23 been with the employer under this Article.

24 (c) Discount for age differential. The annuity for a  
25 surviving spouse shall be discounted by 0.25% for each full  
26 month that the spouse is younger than the employee as of the  
27 date of withdrawal from service or death in service to a  
28 maximum discount of 60% of the surviving spouse annuity as  
29 calculated under subsections (a), (b), and (e) of this  
30 Section. The discount shall be reduced by 10% for each full  
31 year the marriage has been in continuous effect as of the  
32 date of withdrawal or death in service. There shall be no  
33 discount if the marriage has been in continuous effect for 10  
34 full years or more at the time of withdrawal or death in

1 service.

2 (d) Annual increase. Effective August 23, 1989, on the  
3 first day of each calendar month in which there occurs an  
4 anniversary of the employee's date of retirement or date of  
5 death, whichever occurred first, the surviving spouse's  
6 annuity, other than a term annuity under Section 13-307,  
7 shall be increased by an amount equal to 3% of the amount of  
8 the annuity. Beginning January 1, 1993, all annual increases  
9 payable under this subsection (or any predecessor provision  
10 of this Article) shall be calculated at the rate of 3% of the  
11 monthly annuity payable at the time of the increase,  
12 including any increases previously granted under this  
13 Article.

14 Beginning January 1, 1993, surviving spouse annuitants  
15 whose deceased spouse died, retired or withdrew from service  
16 before August 23, 1989 with at least 10 years of service  
17 under this Article shall be eligible for the annual increases  
18 provided under this subsection.

19 (e) Minimum surviving spouse's annuity.

20 (1) Beginning January 1, 1993, the minimum monthly  
21 surviving spouse's annuity shall be \$500 for any  
22 annuitant whose deceased spouse had at least 10 years of  
23 service under this Article, other than a surviving spouse  
24 who is a term annuitant or whose deceased spouse began  
25 receiving a retirement annuity under this Article before  
26 attainment of age 60. Any such surviving spouse  
27 annuitant who is receiving a monthly annuity of less than  
28 \$500 shall have the annuity increased to \$500 on that  
29 date.

30 Beginning January 1, 1993, the minimum monthly  
31 surviving spouse's annuity shall be \$250 for any  
32 annuitant (other than a term or reciprocal annuitant or  
33 an annuitant survivor under subsection (d) of Section  
34 13-301) whose deceased spouse had less than 10 years of

1 service under this Article, and for any annuitant (other  
2 than a term annuitant) whose deceased spouse had at least  
3 10 years of service under this Article and began  
4 receiving a retirement annuity under this Article before  
5 attainment of age 60. Any such surviving spouse  
6 annuitant who is receiving a monthly annuity of less than  
7 \$250 shall have the annuity increased to \$250 on that  
8 date.

9 (2) Beginning August 1, 2001 ~~on-the--first--day--of~~  
10 ~~the--month--following--the-month-in-which-this-amendatory~~  
11 ~~Act-of--the--92nd--General--Assembly--takes--effect~~ (and  
12 without regard to whether the deceased spouse was in  
13 service on or after that effective date), the minimum  
14 monthly surviving spouse's annuity for any annuitant  
15 whose deceased spouse had at least 10 years of service  
16 shall be the greater of the following:

17 (A) An amount equal to \$500, plus \$25 for each  
18 year of the deceased spouse's service in excess of  
19 10, not to exceed \$750 for an annuitant whose  
20 deceased spouse had 20 or more years of service.  
21 This subdivision (A) is not applicable if the  
22 deceased spouse received a retirement annuity that  
23 was subject to an early retirement discount.

24 (B) An amount equal to (i) 50% of the  
25 retirement annuity earned and accrued to the credit  
26 of the deceased spouse at the time of death, plus  
27 (ii) the amount of any annual increases applicable  
28 to the surviving spouse's annuity (including the  
29 amount of any reversionary annuity) under subsection  
30 (d) before July 12, 2001 ~~the-effective-date-of--this~~  
31 ~~amendatory--Act-of-the-92nd-General-Assembly~~. In any  
32 case in which a refund of excess contributions for  
33 the surviving spouse annuity has been paid by the  
34 Fund and the surviving spouse annuity is increased

1 due to the application of this subdivision (B), the  
2 amount of that refund shall be recovered by the Fund  
3 as an offset against the amount of the increase in  
4 annuity arising from the application of this  
5 subdivision (B).

6 In the case of a reciprocal annuity, the  
7 minimum annuity calculated under this subdivision  
8 (e)(2) shall apply only if the deceased spouse of  
9 the annuitant had at least 10 years of service under  
10 this Article, and the amount of the minimum annuity  
11 shall be reduced by the sum of all the reciprocal  
12 annuities payable to the annuitant by other  
13 participating systems under Article 20 of this Code.

14 The minimum annuity calculated under this  
15 subdivision (e)(2) is in addition to the amount of  
16 any reversionary annuity that may be payable.

17 (3) Beginning August 1, 2001 ~~on-the-first-day-of~~  
18 ~~the-month-following-the-month-in-which--this--amendatory~~  
19 ~~Act--of--the--92nd--General--Assembly--takes--effect~~ (and  
20 without regard to whether the deceased spouse was in  
21 service on or after that effective date), any surviving  
22 spouse who is receiving a term annuity under Section  
23 13-307 or any predecessor provision of this Article may  
24 have that term annuity recalculated and converted to a  
25 minimum surviving spouse annuity under this subsection  
26 (e).

27 (4) Notwithstanding any other provision of this  
28 subsection, beginning August 1, 2001 ~~on-the-first-annuity~~  
29 ~~payment---date--following--the--effective--date--of--this~~  
30 ~~amendatory-Act-of-the-92nd-General-Assembly~~, an annuitant  
31 whose deceased spouse retired before August 23, 1989 with  
32 at least 10 years of service under this Article but  
33 before attaining age 60 (regardless of whether the  
34 retirement annuity was subject to an early retirement

1 discount) shall be entitled to the same minimum monthly  
2 surviving spouse's annuity under this subsection as an  
3 annuitant whose deceased spouse retired with at least 10  
4 years of service under this Article and after attaining  
5 age 60. Further notwithstanding any other provision of  
6 this subsection, beginning on the first day of the month  
7 following the month in which this amendatory Act of the  
8 93rd General Assembly takes effect, an annuitant whose  
9 deceased spouse retired on or after August 23, 1989 with  
10 at least 10 years of service under this Article but  
11 before attaining age 60 (regardless of whether the  
12 retirement annuity was subject to an early retirement  
13 discount but not the surviving spouse of a retiree who  
14 had been receiving a retirement annuity pursuant to  
15 subsection (d) of Section 13-301) shall be entitled to  
16 the same minimum monthly surviving spouse's annuity under  
17 this subsection as an annuitant whose deceased spouse  
18 retired with at least 10 years of service under this  
19 Article and after attaining age 60.

20 (5) The minimum annuity provided under this  
21 subsection (e) shall be subject to the age discount  
22 provided under subsection (c) of this Section.

23 (Source: P.A. 92-53, eff. 7-12-01.)

24 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)  
25 Sec. 13-314. Alternative provisions for Water  
26 Reclamation District commissioners.

27 (a) Transfer of credits. Any Water Reclamation District  
28 commissioner elected by vote of the people and who has  
29 elected to participate in this Fund may transfer to this Fund  
30 credits and creditable service accumulated under any other  
31 pension fund or retirement system established under Articles  
32 2 through 18 of this Code, upon payment to the Fund of (1)  
33 the amount by which the employer and employee contributions

1 that would have been required if he had participated in this  
2 Fund during the period for which credit is being transferred,  
3 plus interest, exceeds the amounts actually transferred from  
4 such other fund or system to this Fund, plus (2) interest  
5 thereon at 6% per year compounded annually from the date of  
6 transfer to the date of payment.

7 (b) Alternative annuity. Any participant commissioner  
8 may elect to establish alternative credits for an alternative  
9 annuity by electing in writing to make additional optional  
10 contributions in accordance with this Section and procedures  
11 established by the Board. Unless and until such time as the  
12 U.S. Internal Revenue Service or the federal courts provide a  
13 favorable ruling as described in Section 13-502(f), a such  
14 commissioner may discontinue making the additional optional  
15 contributions by notifying the Fund in writing in accordance  
16 with this Section and procedures established by the Board.

17 Additional optional contributions for the alternative  
18 annuity shall be as follows:

19 (1) For service after the option is elected, an  
20 additional contribution of 3% of salary shall be  
21 contributed to the Fund on the same basis and under the  
22 same conditions as contributions required under Section  
23 13-502.

24 (2) For contributions on past service, the  
25 additional contribution shall be 3% of the salary for the  
26 applicable period of service, plus interest at the annual  
27 rate from time to time as determined by the Board,  
28 compounded annually from the date of service to the date  
29 of payment. Contributions for service before the option  
30 is elected may be made in a lump sum payment to the Fund  
31 or by contributing to the Fund on the same basis and  
32 under the same conditions as contributions required under  
33 Section 13-502. All payments for past service must be  
34 paid in full before credit is given. No additional

1 optional contributions may be made for any period of  
2 service for which credit has been previously forfeited by  
3 acceptance of a refund, unless the refund is repaid in  
4 full with interest at the rate specified in Section  
5 13-603, from the date of refund to the date of repayment.

6 In lieu of the retirement annuity otherwise payable under  
7 this Article, any commissioner who has elected to participate  
8 in the Fund and make additional optional contributions in  
9 accordance with this Section, has attained age 55, and has at  
10 least 6 years of service credit, may elect to have the  
11 retirement annuity computed as follows: 3% of the  
12 participant's average final salary as a commissioner for each  
13 of the first 8 years of service credit, plus 4% of such  
14 salary for each of the next 4 years of service credit, plus  
15 5% of such salary for each year of service credit in excess  
16 of 12 years, subject to a maximum of 80% of such salary. To  
17 the extent such commissioner has made additional optional  
18 contributions with respect to only a portion of years of  
19 service credit, the retirement annuity will first be  
20 determined in accordance with this Section to the extent such  
21 additional optional contributions were made, and then in  
22 accordance with the remaining Sections of this Article to the  
23 extent of years of service credit with respect to which  
24 additional optional contributions were not made. The change  
25 in minimum retirement age (from 60 to 55) made by this  
26 amendatory Act of 1993 applies to persons who begin receiving  
27 a retirement annuity under this Section on or after the  
28 effective date of this amendatory Act, without regard to  
29 whether they are in service on or after that date.

30 (c) Disability benefits. In lieu of the disability  
31 benefits otherwise payable under this Article, any  
32 commissioner who (1) has elected to participate in the Fund,  
33 and (2) has become permanently disabled and as a consequence  
34 is unable to perform the duties of office, and (3) was making

1 optional contributions in accordance with this Section at the  
2 time the disability was incurred, may elect to receive a  
3 disability annuity calculated in accordance with the formula  
4 in subsection (b). For the purposes of this subsection, such  
5 commissioner shall be considered permanently disabled only  
6 if: (i) disability occurs while in service as a commissioner  
7 and is of such a nature as to prevent the reasonable  
8 performance of the duties of office at the time; and (ii) the  
9 Board has received a written certification by at least 2  
10 licensed physicians appointed by it stating that such  
11 commissioner is disabled and that the disability is likely to  
12 be permanent.

13 (d) Alternative survivor's benefits. In lieu of the  
14 survivor's benefits otherwise payable under this Article, the  
15 spouse or eligible child of any deceased commissioner who (1)  
16 had elected to participate in the Fund, and (2) was either  
17 making additional optional contributions on the date of  
18 death, or was receiving an annuity calculated under this  
19 Section at the time of death, may elect to receive an annuity  
20 beginning on the date of the commissioner's death, provided  
21 that the spouse and commissioner must have been married on  
22 the date of the last termination of a service as commissioner  
23 and for a continuous period of at least one year immediately  
24 preceding death.

25 The annuity shall be payable beginning on the date of the  
26 commissioner's death if the spouse is then age 50 or over, or  
27 beginning at age 50 if the age of the spouse is less than 50  
28 years. If a minor unmarried child or children of the  
29 commissioner, under age 18, also survive, and the child or  
30 children are under the care of the eligible spouse, the  
31 annuity shall begin as of the date of death of the  
32 commissioner without regard to the spouse's age.

33 The annuity to a spouse shall be 66 2/3% of the amount of  
34 retirement annuity earned by the commissioner on the date of

1 death, subject to a minimum payment of 10% of salary,  
2 provided that if an eligible spouse, regardless of age, has  
3 in his or her care at the date of death of the commissioner  
4 any unmarried child or children of the commissioner under age  
5 18, the minimum annuity shall be 30% of the commissioner's  
6 salary, plus 10% of salary on account of each minor child of  
7 the commissioner, subject to a combined total payment on  
8 account of a spouse and minor children not to exceed 50% of  
9 the deceased commissioner's salary. In the event there shall  
10 be no spouse of the commissioner surviving, or should a  
11 spouse die while eligible minor children still survive the  
12 commissioner, each such child shall be entitled to an annuity  
13 equal to 20% of salary of the commissioner subject to a  
14 combined total payment on account of all such children not to  
15 exceed 50% of salary of the commissioner. The salary to be  
16 used in the calculation of these benefits shall be the same  
17 as that prescribed for determining a retirement annuity as  
18 provided in subsection (b) of this Section.

19 Upon the death of a commissioner occurring after  
20 termination of a service or while in receipt of a retirement  
21 annuity, the combined total payment to a spouse and minor  
22 children, or to minor children alone if no eligible spouse  
23 survives, shall be limited to 75% of the amount of retirement  
24 annuity earned by the commissioner.

25 Adopted children shall have status as natural children of  
26 the commissioner only if the proceedings for adoption were  
27 commenced at least one year prior to the date of the  
28 commissioner's death.

29 Marriage of a child or attainment of age 18, whichever  
30 first occurs, shall render the child ineligible for further  
31 consideration in the payment of annuity to a spouse or in the  
32 increase in the amount thereof. Upon attainment of  
33 ineligibility of the youngest minor child of the  
34 commissioner, the annuity shall immediately revert to the

1 amount payable upon death of a commissioner leaving no minor  
2 children surviving. If the spouse is under age 50 at such  
3 time, the annuity as revised shall be deferred until such age  
4 is attained.

5 (e) Refunds. Refunds of additional optional  
6 contributions shall be made on the same basis and under the  
7 same conditions as provided under Section 13-601. Interest  
8 shall be credited on the same basis and under the same  
9 conditions as for other contributions.

10 Optional contributions shall be accounted for in a  
11 separate Commission's Optional Contribution Reserve.  
12 Optional contributions under this Section shall be included  
13 in the amount of employee contributions used to compute the  
14 tax levy under Section 13-503.

15 (f) Effective date. The effective date of this plan of  
16 optional alternative benefits and contributions shall be the  
17 date upon which approval was received from the U.S. Internal  
18 Revenue Service. The plan of optional alternative benefits  
19 and contributions shall not be available to any former  
20 employee receiving an annuity from the Fund on the effective  
21 date, unless said former employee re-enters service and  
22 renders at least 3 years of additional service after the date  
23 of re-entry as a commissioner.

24 (Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

25 (40 ILCS 5/13-402) (from Ch. 108 1/2, par. 13-402)

26 Sec. 13-402. Length of service. For the purpose of  
27 computing the length of service for the retirement annuity,  
28 surviving spouse's annuity and child's annuity, service of  
29 120 days in any one calendar year shall constitute one year  
30 of service and service for any fractional part thereof shall  
31 constitute an equal fractional part of one year of service  
32 unless specifically provided otherwise. For all other  
33 purposes under this Article, including but not limited to the

1 optional plans of additional benefits and contributions  
2 provided under Sections 13-304, 13-304.1, and 13-314 of this  
3 Article, 26 pay periods of service during any 12 consecutive  
4 months shall constitute a year of service, and service  
5 rendered for 50% or more of a single pay period shall  
6 constitute service for the full pay period. Service of less  
7 than 50% of a single pay period shall not be counted.

8 (Source: P.A. 90-12, eff. 6-13-97.)

9 (40 ILCS 5/13-502) (from Ch. 108 1/2, par. 13-502)

10 Sec. 13-502. Employee contributions; deductions from  
11 salary.

12 (a) Retirement annuity and child's annuity. There shall  
13 be deducted from each payment of salary an amount equal to  
14 7 1/2% of salary as the employee's contribution for the  
15 retirement annuity, including annual increases therefore and  
16 child's annuity.

17 (b) Surviving spouse's annuity. There shall be deducted  
18 from each payment of salary an amount equal to 1 1/2% of  
19 salary as the employee's contribution for the surviving  
20 spouse's annuity and annual increases therefor.

21 (c) Pickup of employee contributions. The Employer may  
22 pick up employee contributions required under subsections (a)  
23 and (b) of this Section. If contributions are picked up they  
24 shall be treated as Employer contributions in determining tax  
25 treatment under the United States Internal Revenue Code, and  
26 shall not be included as gross income of the employee until  
27 such time as they are distributed. The Employer shall pay  
28 these employee contributions from the same source of funds  
29 used in paying salary to the employee. The Employer may pick  
30 up these contributions by a reduction in the cash salary of  
31 the employee or by an offset against a future salary increase  
32 or by a combination of a reduction in salary and offset  
33 against a future salary increase. If employee contributions

1 are picked up they shall be treated for all purposes of this  
2 Article 13, including Sections 13-503 and 13-601, in the same  
3 manner and to the same extent as employee contributions made  
4 prior to the date picked up.

5 (d) Subject to the requirements of federal law, the  
6 Employer shall pick up optional contributions that the  
7 employee has elected to pay to the Fund under Section  
8 13-304.1, and the contributions so picked up shall be treated  
9 as employer contributions for the purposes of determining  
10 federal tax treatment. The Employer shall pick up the  
11 contributions by a reduction in the cash salary of the  
12 employee and shall pay the contributions from the same fund  
13 that is used to pay earnings to the employee. The Employer  
14 shall, however, continue to withhold federal and State income  
15 taxes based upon contributions made under Section 13-304.1  
16 until the Internal Revenue Service or the federal courts rule  
17 that pursuant to Section 414(h) of the U.S. Internal Revenue  
18 Code of 1986, as amended, these contributions shall not be  
19 included as gross income of the employee until such time as  
20 they are distributed or made available.

21 (e) Each employee is deemed to consent and agree to the  
22 deductions from compensation provided for in this Article.

23 (f) Subject to the requirements of federal law, the  
24 Employer shall pick up contributions that a commissioner has  
25 elected to pay to the Fund under Section 13-314, and the  
26 contributions so picked up shall be treated as employer  
27 contributions for the purposes of determining federal tax  
28 treatment. The Employer shall pick up the contributions by a  
29 reduction in the cash salary of the commissioner and shall  
30 pay the contributions from the same fund as is used to pay  
31 earnings to the commissioner. The Employer shall, however,  
32 continue to withhold federal and State income taxes based  
33 upon contributions made under Section 13-314 until the U.S.  
34 Internal Revenue Service or the federal courts rule that

1 pursuant to Section 414(h) of the Internal Revenue Code of  
2 1986, as amended, these contributions shall not be included  
3 as gross income of the employee until such time as they are  
4 distributed or made available.

5 (Source: P.A. 92-599, eff. 6-28-02.)

6 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

7 Sec. 13-601. Refunds.

8 (a) Withdrawal from service. Upon withdrawal from  
9 service, an employee under age 55 (age 50 if the employee  
10 first entered service before June 13, 1997), or an employee  
11 age 55 (age 50 if the employee first entered service before  
12 June 13, 1997) or over but less than 60 having less than 20  
13 years of service, or an employee age 60 or over having less  
14 than 5 years of service shall be entitled, upon application,  
15 to a refund of total contributions from salary deductions or  
16 amounts otherwise paid under this Article by the employee.  
17 The refund shall not include interest credited to the  
18 contributions. The Board may, in its discretion, withhold  
19 payment of a refund for a period not to exceed one year from  
20 the date of filing an application for refund.

21 (b) Surviving spouse's annuity contributions. A refund  
22 of all amounts deducted from salary or otherwise contributed  
23 by an employee for the surviving spouse's annuity shall be  
24 paid upon retirement to any employee who on the date of  
25 retirement is either not married or is married but whose  
26 spouse is not eligible for a surviving spouse's annuity paid  
27 wholly or in part under this Article. The refund shall  
28 include interest on each contribution at the rate of 3% per  
29 annum compounded annually from the date of the contribution  
30 to the date of the refund.

31 (c) When paid to children, estate or beneficiary.  
32 Whenever the total accumulations, to the account of an  
33 employee from employee contributions, including interest,

1 have not been paid to the employee and surviving spouse as a  
2 retirement or spouse's annuity before the death of the  
3 survivor of the employee and spouse, a refund shall be paid  
4 as follows: an amount equal to the excess of such amounts  
5 over the amounts paid on such annuities without interest on  
6 either such amount, shall be paid to the children of the  
7 employee, in equal parts to each, unless the employee has  
8 directed in writing, signed by him before an officer  
9 authorized to administer oaths, and filed with the Board  
10 before the employee's death, that any such amount shall be  
11 refunded and paid to any one or more of such children; and if  
12 there are not children, such other beneficiary or  
13 beneficiaries as might be designated by the employee. If  
14 there are no such children or designation of beneficiary, the  
15 refund shall be paid to the personal representative of the  
16 employee's estate.

17 If a personal representative of the estate has not been  
18 appointed within 90 days from the date on which a refund  
19 became payable, the refund may be applied, in the discretion  
20 of the Board, toward the payment of the employee's or the  
21 surviving spouse's burial expenses. Any remaining balance  
22 shall be paid to the heirs of the employee according to the  
23 law of descent and distribution of the State of Illinois.

24 If a reversionary annuity becomes payable under Section  
25 13-303, the refund provided in this section shall not be paid  
26 until the death of the reversionary annuitant and the refund  
27 otherwise payable under this section shall be then further  
28 reduced by the amount of the reversionary annuity paid.

29 (d) In lieu of annuity. Notwithstanding the provisions  
30 set forth in subsection (a) of this section, whenever an  
31 employee's or surviving spouse's annuity will be less than  
32 \$200 per month, the employee or surviving spouse, as the case  
33 may be, may elect to receive a refund of accumulated employee  
34 contributions; provided, however, that if the election is

1 made by a surviving spouse the refund shall be reduced by any  
2 amounts theretofore paid to the employee in the form of an  
3 annuity.

4 (e) Forfeiture of rights. An employee or surviving  
5 spouse who receives a refund forfeits the right to receive an  
6 annuity or any other benefit payable under this Article  
7 except that if the refund is to a surviving spouse, any child  
8 or children of the employee shall not be deprived of the  
9 right to receive a child's annuity as provided in Section  
10 13-308 of this Article, and the payment of a child's annuity  
11 shall not reduce the amount refundable to the surviving  
12 spouse.

13 (Source: P.A. 87-794; 87-1265.)

14 (40 ILCS 5/13-603) (from Ch. 108 1/2, par. 13-603)

15 Sec. 13-603. Restoration of rights. If an employee who  
16 has received a refund subsequently re-enters the service and  
17 renders one year of contributing service from the date of  
18 such re-entry, the employee shall be entitled to have  
19 restored all accumulation and service credits previously  
20 forfeited by making a repayment of the refund, including  
21 interest from the date of the refund to the date of repayment  
22 at a rate equal to the higher of 8% per annum or the  
23 actuarial investment return assumption used in the Fund's  
24 most recent Annual Actuarial Statement. Repayment may be  
25 made either directly to the Fund or in a manner similar to  
26 that provided for the contributions required under Section  
27 13-502. The service credits represented thereby, or any  
28 part thereof, shall not become effective unless the full  
29 amount due has been paid by the employee, including interest.  
30 The repayment must be made in full no later than 90 days  
31 following the date of the employee's final withdrawal from  
32 service. If the employee fails to make a full repayment, any  
33 partial amounts paid by the employee shall be refunded

1 without interest if--the--employee--dies--in--service--or  
2 withdraws.

3 (Source: P.A. 91-887, eff. 7-6-00.)

4 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

5 Sec. 14-104. Service for which contributions permitted.  
6 Contributions provided for in this Section shall cover the  
7 period of service granted. Except as otherwise provided in  
8 this Section, the contributions shall be based upon the  
9 employee's compensation and contribution rate in effect on  
10 the date he last became a member of the System; provided that  
11 for all employment prior to January 1, 1969 the contribution  
12 rate shall be that in effect for a noncovered employee on the  
13 date he last became a member of the System. Except as  
14 otherwise provided in this Section, contributions permitted  
15 under this Section shall include regular interest from the  
16 date an employee last became a member of the System to the  
17 date of payment.

18 These contributions must be paid in full before  
19 retirement either in a lump sum or in installment payments in  
20 accordance with such rules as may be adopted by the board.

21 (a) Any member may make contributions as required in  
22 this Section for any period of service, subsequent to the  
23 date of establishment, but prior to the date of membership.

24 (b) Any employee who had been previously excluded from  
25 membership because of age at entry and subsequently became  
26 eligible may elect to make contributions as required in this  
27 Section for the period of service during which he was  
28 ineligible.

29 (c) An employee of the Department of Insurance who,  
30 after January 1, 1944 but prior to becoming eligible for  
31 membership, received salary from funds of insurance companies  
32 in the process of rehabilitation, liquidation, conservation  
33 or dissolution, may elect to make contributions as required

1 in this Section for such service.

2 (d) Any employee who rendered service in a State office  
3 to which he was elected, or rendered service in the elective  
4 office of Clerk of the Appellate Court prior to the date he  
5 became a member, may make contributions for such service as  
6 required in this Section. Any member who served by  
7 appointment of the Governor under the Civil Administrative  
8 Code of Illinois and did not participate in this System may  
9 make contributions as required in this Section for such  
10 service.

11 (e) Any person employed by the United States government  
12 or any instrumentality or agency thereof from January 1, 1942  
13 through November 15, 1946 as the result of a transfer from  
14 State service by executive order of the President of the  
15 United States shall be entitled to prior service credit  
16 covering the period from January 1, 1942 through December 31,  
17 1943 as provided for in this Article and to membership  
18 service credit for the period from January 1, 1944 through  
19 November 15, 1946 by making the contributions required in  
20 this Section. A person so employed on January 1, 1944 but  
21 whose employment began after January 1, 1942 may qualify for  
22 prior service and membership service credit under the same  
23 conditions.

24 (f) An employee of the Department of Labor of the State  
25 of Illinois who performed services for and under the  
26 supervision of that Department prior to January 1, 1944 but  
27 who was compensated for those services directly by federal  
28 funds and not by a warrant of the Auditor of Public Accounts  
29 paid by the State Treasurer may establish credit for such  
30 employment by making the contributions required in this  
31 Section. An employee of the Department of Agriculture of the  
32 State of Illinois, who performed services for and under the  
33 supervision of that Department prior to June 1, 1963, but was  
34 compensated for those services directly by federal funds and

1 not paid by a warrant of the Auditor of Public Accounts paid  
2 by the State Treasurer, and who did not contribute to any  
3 other public employee retirement system for such service, may  
4 establish credit for such employment by making the  
5 contributions required in this Section.

6 (g) Any employee who executed a waiver of membership  
7 within 60 days prior to January 1, 1944 may, at any time  
8 while in the service of a department, file with the board a  
9 rescission of such waiver. Upon making the contributions  
10 required by this Section, the member shall be granted the  
11 creditable service that would have been received if the  
12 waiver had not been executed.

13 (h) Until May 1, 1990, an employee who was employed on a  
14 full-time basis by a regional planning commission for at  
15 least 5 continuous years may establish creditable service for  
16 such employment by making the contributions required under  
17 this Section, provided that any credits earned by the  
18 employee in the commission's retirement plan have been  
19 terminated.

20 (i) Any person who rendered full time contractual  
21 services to the General Assembly as a member of a legislative  
22 staff may establish service credit for up to 8 years of such  
23 services by making the contributions required under this  
24 Section, provided that application therefor is made not later  
25 than July 1, 1991.

26 (j) By paying the contributions otherwise required under  
27 this Section, plus an amount determined by the Board to be  
28 equal to the employer's normal cost of the benefit plus  
29 interest, but with all of the interest calculated from the  
30 date the employee last became a member of the System or  
31 November 19, 1991, whichever is later, to the date of  
32 payment, an employee may establish service credit for a  
33 period of up to 2 years spent in active military service for  
34 which he does not qualify for credit under Section 14-105,

1 provided that (1) he was not dishonorably discharged from  
2 such military service, and (2) the amount of service credit  
3 established by a member under this subsection (j), when added  
4 to the amount of military service credit granted to the  
5 member under subsection (b) of Section 14-105, shall not  
6 exceed 5 years. The change in the manner of calculating  
7 interest under this subsection (j) made by this amendatory  
8 Act of the 92nd General Assembly applies to credit purchased  
9 by an employee on or after its effective date and does not  
10 entitle any person to a refund of contributions or interest  
11 already paid.

12 (k) An employee who was employed on a full-time basis by  
13 the Illinois State's Attorneys Association Statewide  
14 Appellate Assistance Service LEAA-ILEC grant project prior to  
15 the time that project became the State's Attorneys Appellate  
16 Service Commission, now the Office of the State's Attorneys  
17 Appellate Prosecutor, an agency of State government, may  
18 establish creditable service for not more than 60 months  
19 service for such employment by making contributions required  
20 under this Section.

21 (l) By paying the contributions otherwise required under  
22 this Section, plus an amount determined by the Board to be  
23 equal to the employer's normal cost of the benefit plus  
24 interest, a member may establish service credit for periods  
25 of up to 2 years ~~less-than-one-year~~ spent on authorized leave  
26 of absence from service, provided that ~~(1)-the-period-of~~  
27 ~~leave-began-on-or-after-January-17-1982-and--(2)~~ any credit  
28 established by the member for the period of leave in any  
29 other public employee retirement system has been terminated.  
30 A member may establish service credit under this subsection  
31 for more than one period of authorized leave, and in that  
32 case the total period of service credit established by the  
33 member under this subsection may exceed 2 years ~~one-year~~. In  
34 determining the contributions required for establishing

1 service credit under this subsection, the interest shall be  
2 calculated from the beginning of the leave of absence to the  
3 date of payment.

4 (m) Any person who rendered contractual services to a  
5 member of the General Assembly as a worker in the member's  
6 district office may establish creditable service for up to 3  
7 years of those contractual services by making the  
8 contributions required under this Section. The System shall  
9 determine a full-time salary equivalent for the purpose of  
10 calculating the required contribution. To establish credit  
11 under this subsection, the applicant must apply to the System  
12 by March 1, 1998.

13 (n) Any person who rendered contractual services to a  
14 member of the General Assembly as a worker providing  
15 constituent services to persons in the member's district may  
16 establish creditable service for up to 8 years of those  
17 contractual services by making the contributions required  
18 under this Section. The System shall determine a full-time  
19 salary equivalent for the purpose of calculating the required  
20 contribution. To establish credit under this subsection, the  
21 applicant must apply to the System by March 1, 1998.

22 (o) A member who participated in the Illinois  
23 Legislative Staff Internship Program may establish creditable  
24 service for up to one year of that participation by making  
25 the contribution required under this Section. The System  
26 shall determine a full-time salary equivalent for the purpose  
27 of calculating the required contribution. Credit may not be  
28 established under this subsection for any period for which  
29 service credit is established under any other provision of  
30 this Code.

31 (p) By paying the contributions required under this  
32 Section, plus an amount determined by the Board to be equal  
33 to the employer's normal cost of the benefit plus interest,  
34 an employee who was laid off but returned to State employment

1 under circumstances in which the employee is considered to  
2 have been in continuous service for purposes of determining  
3 seniority may establish creditable service for the period of  
4 the layoff, provided that (1) the applicant does not receive  
5 credit for that period under any other provision of this  
6 Code, (2) at the time of the layoff, the applicant had  
7 attained certified status under the rules of the Department  
8 of Central Management Services, and (3) the total amount of  
9 creditable service established by the applicant under this  
10 subsection does not exceed 2 years. For service established  
11 under this subsection, the required employee contribution  
12 shall be based on the rate of compensation earned by the  
13 employee on the date of returning to employment after the  
14 layoff and the contribution rate then in effect, and the  
15 required interest shall be calculated from the date of  
16 returning to employment after the layoff to the date of  
17 payment.

18 (Source: P.A. 92-54, eff. 7-12-01.)

19 (40 ILCS 5/15-159) (from Ch. 108 1/2, par. 15-159)

20 Sec. 15-159. Board created.

21 (a) A board of trustees constituted as provided in this  
22 Section shall administer this System. The board shall be  
23 known as the Board of Trustees of the State Universities  
24 Retirement System.

25 (b) Until July 1, 1995, the Board of Trustees shall be  
26 constituted as follows:

27 Two trustees shall be members of the Board of Trustees of  
28 the University of Illinois, one shall be a member of the  
29 Board of Trustees of Southern Illinois University, one shall  
30 be a member of the Board of Trustees of Chicago State  
31 University, one shall be a member of the Board of Trustees of  
32 Eastern Illinois University, one shall be a member of the  
33 Board of Trustees of Governors State University, one shall be

1 a member of the Board of Trustees of Illinois State  
2 University, one shall be a member of the Board of Trustees of  
3 Northeastern Illinois University, one shall be a member of  
4 the Board of Trustees of Northern Illinois University, one  
5 shall be a member of the Board of Trustees of Western  
6 Illinois University, and one shall be a member of the  
7 Illinois Community College Board, selected in each case by  
8 their respective boards, and 2 shall be participants of the  
9 system appointed by the Governor for a 6 year term with the  
10 first appointment made pursuant to this amendatory Act of  
11 1984 to be effective September 1, 1985, and one shall be a  
12 participant appointed by the Illinois Community College Board  
13 for a 6 year term, and one shall be a participant appointed  
14 by the Board of Trustees of the University of Illinois for a  
15 6 year term, and one shall be a participant or annuitant of  
16 the system who is a senior citizen age 60 or older appointed  
17 by the Governor for a 6 year term with the first appointment  
18 to be effective September 1, 1985.

19 The terms of all trustees holding office under this  
20 subsection (b) on June 30, 1995 shall terminate at the end of  
21 that day or as otherwise required by law and the Board shall  
22 thereafter be constituted as otherwise provided in this  
23 Section ~~subsection-(e)~~.

24 (c) Beginning July 1, 1995, the Board of Trustees shall  
25 be constituted as follows:

26 The Board shall consist of 9 trustees appointed by the  
27 Governor. Two of the trustees, designated at the time of  
28 appointment, shall be participants of the System. Two of the  
29 trustees, designated at the time of appointment, shall be  
30 annuitants of the System who are receiving retirement  
31 annuities under this Article. The 5 remaining trustees may,  
32 but need not, be participants or annuitants of the System.

33 The term of office of trustees appointed under this  
34 subsection (c) shall be 6 years, beginning on July 1.

1 However, of the initial trustees appointed under this  
2 subsection (c), 3 shall be appointed for terms of 2 years, 3  
3 shall be appointed for terms of 4 years, and 3 shall be  
4 appointed for terms of 6 years, to be designated by the  
5 Governor at the time of appointment.

6 A vacancy in a trustee position created under this  
7 subsection (c) ~~on--the--board---of---trustees~~ caused by  
8 resignation, death, expiration of term of office, or other  
9 reason shall be filled by a qualified person appointed by the  
10 Governor for the remainder of the unexpired term.

11 Trustees in a trustee position created under this  
12 subsection (c) ~~(other--than--the--trustees--incumbent--on--June--30--~~  
13 1995) shall continue in office until their respective  
14 successors are appointed and have qualified, except that a  
15 trustee appointed to one of the participant positions shall  
16 be disqualified immediately upon the termination of his or  
17 her status as a participant and a trustee appointed to one of  
18 the annuitant positions shall be disqualified immediately  
19 upon the termination of his or her status as an annuitant  
20 receiving a retirement annuity.

21 (c-1) Beginning July 1, 2004, the Board of Trustees  
22 shall consist of the 9 trustees appointed under subsection  
23 (c) plus 4 elected trustees who shall be elected as provided  
24 in this subsection (c-1) and Section 15-159.1.

25 One of the elected trustees shall be a participant of the  
26 System nominated and elected by the participants of the  
27 System who are employees of the University of Illinois.

28 One of the elected trustees shall be a participant of the  
29 System nominated and elected by the participants of the  
30 System who are employees of Northern Illinois University,  
31 Illinois State University, or Southern Illinois University.

32 One of the elected trustees shall be a participant of the  
33 System nominated and elected by the participants of the  
34 System who are employees of Chicago State University, Eastern

1 Illinois University, Governors State University, Northeastern  
2 Illinois University, or Western Illinois University.

3 One of the elected trustees shall be a participant of the  
4 System nominated and elected by the participants of the  
5 System who are employees of Illinois community colleges.

6 The term of office of trustees elected under this  
7 subsection (c-1) shall be 6 years, beginning on July 1,  
8 except that the initial trustees elected under this  
9 subsection (c-1) shall serve for terms of 3, 4, 5, and 6  
10 years, to be determined by lot at the first meeting of the  
11 Board following their election.

12 Candidates for election shall be nominated by petition  
13 containing the signatures and addresses of at least 100  
14 participants from the applicable constituency. Petitions  
15 shall be filed with the Secretary of the Board during the  
16 month of January before the election. The Secretary shall  
17 determine the validity of petitions of candidates by February  
18 15 before the election and shall notify the candidates as to  
19 whether or not their petitions have met the requirements.

20 If no more than one candidate files a valid petition for  
21 election to a position, that candidate shall be declared  
22 elected. If there is more than one nominee for a position,  
23 then the Board shall conduct by mail a secret ballot election  
24 among those persons eligible to vote for that position, in  
25 accordance with Section 15-159.1 and such rules and  
26 procedures as it may adopt.

27 If a vacancy occurs among the elected members of the  
28 Board, the remaining elected members of the Board shall meet  
29 for the purpose of filling the vacant position by appointing  
30 a person who is eligible for nomination and election to the  
31 position to serve for the remainder of the term. The meeting  
32 shall be held as soon as practicable after the position  
33 becomes vacant. Appointment of a person to fill a vacancy in  
34 an elected trustee position requires a majority vote of the

1 elected members present at the meeting.

2 An elected trustee shall continue in office until his or  
3 her successor is elected (or, in the case of a vacancy  
4 occurring during a term, appointed) and has qualified, except  
5 that an elected trustee shall be disqualified upon the  
6 termination of his or her status as a participant.

7 (d) Each trustee must take an oath of office before a  
8 notary public of this State and shall qualify as a trustee  
9 upon the presentation to the the Board of a certified copy of  
10 the oath. The oath must state that the person will  
11 diligently and honestly administer the affairs of the  
12 retirement system, and will not knowingly violate or wilfully  
13 permit to be violated any provisions of this Article.

14 Each trustee shall serve without compensation but shall  
15 be reimbursed for expenses necessarily incurred in attending  
16 board meetings and carrying out his or her duties as a  
17 trustee or officer of the System.

18 (e) This amendatory Act of 1995 (Public Act 89-196) is  
19 intended to supersede the changes made to this Section by  
20 Public Act 89-4.

21 (Source: P.A. 89-4, eff. 1-1-96; 89-196, eff. 7-21-95.)

22 (40 ILCS 5/15-159.1 new)

23 Sec. 15-159.1. Election of trustees.

24 (a) Election of trustees shall be by mail ballot. By no  
25 later than April 1 of the year of the election, the board  
26 shall prepare and send ballots and ballot envelopes to the  
27 persons eligible to vote as of February 1 of the year of the  
28 election. The ballots shall contain the names of all  
29 candidates of the constituency for which the person is  
30 eligible to vote, in alphabetical order. The ballot envelope  
31 shall have on the outside a form of certificate stating that  
32 the person voting the ballot is a member of the specified  
33 constituency and is entitled to vote.

1 (b) Persons wishing to vote shall vote the ballot and  
2 place it in the ballot envelope, seal the envelope, execute  
3 the certificate on the envelope, and return the ballot to the  
4 System.

5 (c) The final date for ballot return shall be May 1, or  
6 if that date falls on a Saturday, Sunday, or State holiday,  
7 then the next business day. Ballots received on or before  
8 that date, in a ballot envelope with a properly executed  
9 certificate and properly voted, shall be valid ballots.

10 (d) The board shall set a day for counting ballots,  
11 shall name judges and clerks of election to conduct the count  
12 of ballots, and shall make any rules that may be necessary  
13 for the conduct of the count.

14 (e) Candidates for the office of trustee, and employee  
15 and labor organizations, shall have access, at their own  
16 expense, to the System's participant mailing lists for  
17 election purposes.

18 (40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

19 Sec. 16-128. Creditable service - required  
20 contributions.

21 (a) In order to receive the creditable service specified  
22 under subsection (b) of Section 16-127, a member is required  
23 to make the following contributions: (i) an amount equal to  
24 the contributions which would have been required had such  
25 service been rendered as a member under this System; (ii) for  
26 military service not immediately following employment and for  
27 service established under subdivision (b)(10) of Section  
28 16-127, an amount determined by the Board to be equal to the  
29 employer's normal cost of the benefits accrued for such  
30 service; and (iii) interest from the date the contributions  
31 would have been due (or, in the case of a person establishing  
32 credit for military service under subdivision (b)(3) of  
33 Section 16-127, from the date the employee last became a

1 member of the System or November 19, 1991, whichever the-date  
2 of-first-membership-in-the-System,-if-that-date is later) to  
3 the date of payment, at the following rate of interest,  
4 compounded annually: for periods prior to July 1, 1965,  
5 regular interest; from July 1, 1965 to June 30, 1977, 4% per  
6 year; on and after July 1, 1977, regular interest.

7 The change in the manner of calculating interest for  
8 certain military service credit made by this amendatory Act  
9 of the 93rd General Assembly applies to credit purchased by a  
10 teacher on or after its effective date and does not entitle  
11 any person to a refund of contributions or interest already  
12 paid.

13 (b) In order to receive creditable service under  
14 paragraph (2) of subsection (b) of Section 16-127 for those  
15 who were not members on June 30, 1963, the minimum required  
16 contribution shall be \$420 per year of service together with  
17 interest at 4% per year compounded annually from July 1,  
18 preceding the date of membership until June 30, 1977 and at  
19 regular interest compounded annually thereafter to the date  
20 of payment.

21 (c) In determining the contribution required in order to  
22 receive creditable service under paragraph (3) of subsection  
23 (b) of Section 16-127, the salary rate for the remainder of  
24 the school term in which a member enters military service  
25 shall be assumed to be equal to the member's salary rate at  
26 the time of entering military service. However, for military  
27 service not immediately following employment, the salary rate  
28 on the last date as a participating teacher prior to such  
29 military service, or on the first date as a participating  
30 teacher after such military service, whichever is greater,  
31 shall be assumed to be equal to the member's salary rate at  
32 the time of entering military service. For each school term  
33 thereafter, the member's salary rate shall be assumed to be  
34 5% higher than the salary rate in the previous school term.

1 (d) In determining the contribution required in order to  
2 receive creditable service under paragraph (5) of subsection  
3 (b) of Section 16-127, a member's salary rate during the  
4 period for which credit is being established shall be assumed  
5 to be equal to the member's last salary rate immediately  
6 preceding that period.

7 (d-5) For each year of service credit to be established  
8 under subsection (b-1) of Section 16-127, a member is  
9 required to contribute to the System (i) 16.5% of the annual  
10 salary rate during the first year of full-time employment as  
11 a teacher under this Article following the private school  
12 service, plus (ii) interest thereon from the date of first  
13 full-time employment as a teacher under this Article  
14 following the private school service to the date of payment,  
15 compounded annually, at the rate of 8.5% per year for periods  
16 before the effective date of this amendatory Act of the 92nd  
17 General Assembly, and for subsequent periods at a rate equal  
18 to the System's actuarially assumed rate of return on  
19 investments.

20 (e) The contributions required under this Section may be  
21 made from the date the statement for such creditable service  
22 is issued until retirement date. All such required  
23 contributions must be made before any retirement annuity is  
24 granted.

25 (Source: P.A. 92-867, eff. 1-3-03.)

26 Section 90. The State Mandates Act is amended by adding  
27 Section 8.27 as follows:

28 (30 ILCS 805/8.27 new)

29 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6  
30 and 8 of this Act, no reimbursement by the State is required  
31 for the implementation of any mandate created by this  
32 amendatory Act of the 93rd General Assembly.

1 Section 99. Effective date. This Act takes effect upon  
2 becoming law.".